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NATIONAL COMMUNICATIONS FROM PARTIES INCLUDED IN ANNEX I TO THE CONVENTION

FUTURE REVIEW PROCESS, INCLUDING THAT UNDER ARTICLES 7 AND 8 OF THE KYOTO PROTOCOL

Note by the secretariat

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I. INTRODUCTION

A. Mandate

1. At its ninth session, the Subsidiary Body for Implementation (SBI) began the discussion on how the future in-depth review process could be conducted. It further invited Parties to submit, by 1 March 1999, their views on the scope and modalities of the review process for the third national communications, including in-depth reviews, in the context of the Kyoto Protocol. The SBI requested the secretariat to prepare, for consideration at its tenth session, a document containing suggestions for the future review process, taking into account the views of Parties and the relevant requirements of the Kyoto Protocol (FCCC/SBI/1998/7). The present document responds to this request.

2. The Conference of the Parties (COP), at its fourth session, requested its subsidiary bodies to consider the scope, modalities and options for the review process, including the review of annual inventory information, and the need for more thorough consideration of national circumstances and reporting requirements under the Kyoto Protocol, and to report, as appropriate, to the Conference of the Parties, at its fifth session, on any proposed changes, with a view to adopting revised guidelines for the review process at its sixth session (decision 11/CP.4).[1]

3. The COP also decided on the following allocation to the subsidiary bodies of the preparatory work related to Articles 7 and 8 of the Kyoto Protocol for the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol, referred to below as COP/MOP 1 (decision 8/CP.4, annex I). The two tasks listed below are requested to be completed by COP 6.

Task	Allocation
Guidelines for the preparation of information under Article 7, with respect to both annual inventories and national communications from Annex I Parties	SBSTA, in cooperation with the Subsidiary Body for Implementation (SBI)
Guidelines for the review of implementation by expert review teams under Article 8	SBI, in cooperation with SBSTA

[1] For the full texts of decisions adopted by the Conference of the Parties at its fourth session see document FCCC/CP/1998/16/Add.1.

B. Scope of the note

4. This note outlines possible approaches to the conducting of review of information contained in third national communications from Parties included in Annex I to the Convention (Annex I Parties) due by 30 November 2001 (see decision 11/CP.4), as well as of information to be submitted under Article 7 and to be reviewed under Article 8 of the Kyoto Protocol. Technical aspects of the review of greenhouse gas (GHG) inventory information submitted by Annex I Parties are discussed in detail separately in document FCCC/SBSTA/1999/3.

5. This note presents possible options for the review process in line with the suggested work on the methodological issues contained in document FCCC/SB/1999/2 to ensure that further development and refinement of the review process proceed in step and are coordinated with the methodological work (see annex to this note).

6. The note is based on the views and submissions of Parties related to the revision of the guidelines for the preparation of third national communications by Annex I Parties, the scope of the third national communications and the future review process (FCCC/SB/1999/MISC.2), as well as on the experience of the secretariat with the in-depth review process.

C. Possible action by the SBI

7. The SBI may wish to consider this note taking into account document FCCC/SB/1999/2, which contains the proposed work programme on methodological issues related to Articles 5, 7 and 8 of the Kyoto Protocol, and document FCCC/SBSTA/1999/3 on the technical elements of the review process related to GHG inventories under the Convention.

8. The SBI may wish to provide guidance to the secretariat on the continuation of the work related to review, in particular, taking into account paragraph 3 of decision 11/CP.4 (referred to in paragraph 2 above), with a view to recommending a decision on the guidelines for the review process for adoption at COP 6. It may also wish to provide guidance to the secretariat on the conducting of work related to the development of the guidelines for the review of implementation by expert review teams under Article 8, as requested by decision 8/CP.4 (annex II), with a view to recommending a decision for adoption at COP 6.

9. The SBI, taking into account the advice of the SBSTA, may wish to consider the institutional aspects of a technical review of the inventory data of Annex I Parties suggested in document FCCC/SBSTA/1999/3, including the timing of such a review, with a view to an early start of a test period.

II. OPTIONS FOR THE FUTURE REVIEW PROCESS

A. Background

10. At present there are no "guidelines" *per se* governing the conducting of in-depth reviews of national communications from Annex I Parties. Reviews of both first and second national communications have been, and still are, being conducted on the basis of the general guidance provided by Parties in decision 2/CP.1[2] and reiterated in decision 9/CP.2.[3] Decision 2/CP.1 stipulated that "the review should provide a thorough and comprehensive technical assessment of the implementation of the Convention commitments by individual Annex I Parties and Annex I Parties as a whole. Its purpose is to review, in a facilitative, non-confrontational, open and transparent manner, the information contained in the communications from Annex I Parties to ensure that the Conference of the Parties has accurate, consistent and relevant information at its disposal to assist in carrying out its responsibilities".

11. While this general mandate remains valid, the rapid evolution of the Convention process, in particular the adoption of the Kyoto Protocol, requires certain modifications and adjustments to the review process, as reflected in decision 11/CP.4. The views communicated by Parties in response to the request of the SBI at its ninth session confirm the need for specific guidelines for the review process that would take into account recent developments, the requirements of the Kyoto Protocol and the experience gained by both Parties and the secretariat.

B. Summary of views by Parties

12. It is clear from the views expressed by Parties in their submissions, as well as by the participants of workshops related to the revision of the guidelines for national communications from Annex I Parties,[4] that the future review is seen as comprising two related but distinct parts: technical review of inventory information and review of non-inventory information contained in national communications. In what follows, it is assumed that the two review processes will develop in parallel, mutually supporting each other, and building on existing and future experience.

13. According to the views expressed by Parties, and reflected in relevant decisions of the COP and conclusions of the subsidiary bodies, as well as in their submissions, the current in-depth review process has proved to be a useful and constructive exercise, and it is seen as an

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[2] For the full texts of decisions adopted by the Conference of the Parties at its first session, see document FCCC/CP/1995/7/Add.1.

[3] For the full texts of decisions adopted by the Conference of the Parties at its second session, see document FCCC/CP/1996/15/Add.1.

[4] See documents FCCC/SB/1999/1 and FCCC/SBSTA/1999/INF.1.

integral part of the process of the implementation of the Convention. Under the Kyoto Protocol the review of information becomes one of the crucial elements of establishing compliance with legally binding commitments. Careful consideration of possible approaches to the conducting of reviews is therefore necessary, taking into account a wide range of institutional, methodological and technical issues.

14. Parties see a future review process as a smooth and logical extension of the present procedures developed by the COP for the purposes of monitoring progress in the implementation of the Convention. They suggest a step-by-step incremental approach, which would take into account experience with the in-depth reviews and build on it. Parties also see further development of review procedures as an iterative process, which would comprise a number of steps, including consecutive revisions of the guidelines for the preparation of national communications and annual GHG inventories on the basis of feedback received during the reviews, and adaptation of the review process to the increasingly stringent reporting and verification requirements reflected in the reporting guidelines.

15. Parties have clearly expressed the view that the review process under the Convention should be enhanced in anticipation of the forthcoming legally binding commitments under the Kyoto Protocol. This note thus attempts to suggest some possible options for further development of the review process.

C. Suggested approaches

1. Required guidelines and information support

16. A reliable and transparent review process can only be based on clear and adequate guidance provided by Parties. In the period between the tenth session of the subsidiary bodies and COP 6, two guidelines related to the review process need to be developed, namely the guidelines for the review process (decision 11/CP.4, paragraph 3) and the guidelines for the review of implementation by expert review teams under Article 8 (decision 8/CP.4, annex II). Key methodological activities leading to the development of these guidelines are listed in the annex to document FCCC/SB/1999/2.

17. It is suggested that general guidance for the conducting of a technical review of inventory information, including by the expert review teams, be agreed in principle at COP 5 subject to adoption at the same session of Part I (inventory) of the revised guidelines for the preparation of national communications. This would allow a process of technical review of national inventory information to be initiated with the assistance of experts, in the year 2000, as suggested in document FCCC/SBSTA/1999/3.

18. Full guidelines for the review of implementation by expert review teams under Article 8 could then be developed for adoption at COP 6 (as requested in decision 8/CP.4) taking into account the experience gained during this preliminary technical review. These guidelines would

be used for conducting reviews of the third national communications from Annex I Parties and they would be further revised at later stages in accordance with the reporting and review requirements of the Kyoto Protocol.

19. A suggested list of activities related to the review process is presented in the annex to this note. Information in the annex is based on the proposed programme budget for the biennium 2000-2001, as contained in document FCCC/SBI/1999/4 and Add.1.

20. Detailed annual technical assessments of inventory data and related information submitted by Annex I Parties would require thorough preparations. In particular, a specialized web-enabled information system will need to be developed that is directly accessible to Parties. This system must have the capacity to both process and store data, such as emission factors and activity data, as well as to provide textual information related to national methodologies. Implementation will require a task team that brings together inventory experts, supplemented when required by experts nominated by Parties, and information technology specialists.

2. Conducting of inventory reviews

21. Technical aspects of the inventory review process are discussed in document FCCC/SBSTA/1999/3. Institutional aspects of the review of inventory data, such as composition of the review teams, procedures for their selection and duration of the review could be specified in the guidelines for the review process at COP 6 on the basis of the experience gained during the test period. At that time, specific suggestions could be provided on the ways to enhance the knowledge of the experts participating in the review teams, for example, establishing possible orientation courses or certification procedures for the experts, with a view to further raising the standards of the process.

3. Future in-depth reviews

22. In-depth reviews of third national communications from Annex I Parties could start in mid-2002, about six months after the submission of communications (to allow for the necessary preparations, including consulting with Parties on the schedule, updating the list of government nominated experts and selecting the teams). The bulk of the methodological work would have been finished by that time, including work on the national systems under Article 5.1, on the preparation of information under Article 7, on the scope, modalities and options for the review process, and last but not least, on the procedures and mechanisms relating to compliance.

23. Thematic or sectoral reviews could also be conducted and corresponding documentation and/or brief compilation and synthesis reports published in this period if Annex I Parties decide to provide interim reports on specific issues, as suggested in decision 11/CP.4. The feasibility of this interim reporting needs to be explored in more detail, and a decision on this issue would need to be taken, probably no later than at COP 5.

24. The post-COP 6 period could be used to test the functioning of expert review teams on the basis of the guidelines to be adopted in accordance with decision 8/CP.4. The results of the in-depth reviews conducted in that period would then provide feedback to the continuous work on the improvement of the quality of the inventory and other information contained in the national communications and would also allow the fine tuning of the functioning of the review teams.

25. The design of the evolving process of the in-depth reviews should be consistent with the eventual entry into force of the Kyoto Protocol and of its provisions regarding the communication and review of information and compliance (Articles 7, 8 and 18).

4. Programme budget implications

26. When deciding on a future, post-COP 6, review process, Parties will need to take into account the budgetary implications. Following COP 6, the review process most probably would be expanded and strengthened. If Parties were to agree to a thorough annual technical analysis of the inventory data submitted by each Annex I Party, considerable financial and human resources would be required for the biennium 2002-2003 in addition to those required for in-depth review of other information contained in national communications. The establishment of an information system and measures to upgrade the expertise available for review teams (see paragraphs 20 and 21 above) would also require additional resources.

27. The volume and cost of work related to reviews would in part depend on how the verification of commitments will be defined and structured in the context of procedures and mechanisms related to compliance to be established under Article 18 of the Kyoto Protocol. In certain circumstances, the review teams may be required to take active part in the verification process, processing and analysing substantial amounts of information. Other options may be less resource intensive.

Annex

LIST OF ACTIVITIES

Period	Review related work	Expected results
SBI 10 SBSTA 10	Consideration of the scope, modalities and options for the review process, including the review of annual inventory information.	Guidance is provided to the secretariat on the continuation of the work related to review.
Up to SBI 11 SBSTA 11 COP 5	Carry out the remaining in-depth reviews of the second national communications from Annex I Parties with a focus on inventory data and basic information related to their collection.	Corresponding in-depth review reports are published. Report on any changes proposed to the review process is prepared for consideration at COP 5 if so requested by the subsidiary bodies at their tenth sessions.
	Preparation of a report on 'best practices' in policies and measures for consideration at SBSTA 11.	A report on 'best practices' is prepared based on Annex I Party national communications and their reviews and additional information submitted by Parties by 15 August 1999.
SBI 11 SBSTA 11 COP 5	Consideration of the scope, modalities and options for the review process, including the review of annual inventory information (continued from SBI 10/SBSTA 10).	Any changes proposed to the review process to be considered at COP 5 with a view to adopting the guidelines for the review process at COP 6. A test period for the technical reviews is launched.
	Consideration of the report on 'best practices' in policies and measures by SBSTA.	Guidance is provided to both Parties and the secretariat on the ways of strengthening the sharing of experience and exchange of information on policies and measures.
	Consideration of the issues related to interim reporting.	Guidance is provided on the feasibility of interim reporting.
Up to SBI 12 SBSTA 12	Finalizing pending in-depth review reports on second national communications from Annex I Parties.	Reports on in-depth reviews of second national communications are made available to Parties. End of the second round of in-depth reviews.
	Preparations for the test period of a technical review of Annex I Parties inventory data, including development of required software tools such as databases, forms for electronic reporting, etc.	This preparatory work would allow conducting technical reviews of the inventory information submitted in 2000.
	Workshop on 'best practices' in policies and measures (tentatively April 2000).	The results of the workshop are forwarded to SBSTA 12 with a view to preparing relevant recommendations for consideration at COP 6.

SBI 12 SBSTA 12	Consideration of the results and experience with the second round of in-depth reviews.	Results of the second round of in-depth reviews are taken into account and guidance is provided to the secretariat with a view to finalizing work related to the development of guidelines for the review process and of guidelines for the review of implementation by expert review teams under Article 8 of the Kyoto Protocol for adoption at COP 6.
Up to SBI 13 SBSTA 13 COP 6	Start of a test period for a technical review of Annex I Parties inventory data (extends into 2001).	Relevant information on the experience with the technical review is made available to Parties.
SBI 13 SBSTA 13 COP 6	Consideration of the preliminary results of the technical reviews of inventories. Consideration of the results of a workshop on 'best practices' in policies and measures.	Relevant adjustments are introduced into the respective guidelines, namely for national systems, for the review process and for expert review teams. Recommendations are formulated on the continuation of this work.
Post-COP 6	In-depth reviews of third national communications from Annex I Parties due in November 2001, including technical reviews of inventories, are conducted. In-depth reviews of future communications are conducted taking into account requirements of the Kyoto Protocol.	Reports on in-depth reviews are made available to Parties. Functioning of expert review teams is tested. Adequacy of supplementary information to be submitted under Articles 7.1 and 7.2 of the Kyoto Protocol is assessed. Information on whether Annex I Parties have made demonstrable progress in achieving their commitment under the Kyoto Protocol is made available to Parties. Test phase of reviewing compliance prior to the first commitment period is initiated.

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ADMINISTRATIVE AND FINANCIAL MATTERS

INSTITUTIONAL LINKAGE OF THE CONVENTION SECRETARIAT TO THE UNITED NATIONS

Note by the Executive Secretary

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I. INTRODUCTION

A. Mandate

1. At its first session, the Conference of the Parties (COP), by its decision 14/CP.1,[1] inter alia, decided that the Convention secretariat shall be institutionally linked to the United Nations, while not being fully integrated in the work programme and management structure of any particular department or programme. The COP also took note of, and provisionally accepted, the arrangements proposed by the Secretary-General of the United Nations for administrative support to the Convention secretariat. The COP decided further to review the functioning of the institutional linkage not later than 31 December 1999, in consultation with the Secretary-General, with a view to making such modifications as may be considered desirable by both Parties.

2. Similarly, the United Nations General Assembly, by its resolution 50/115 of 20 December 1995, paragraph 2, inter alia, endorsed the institutional linkage between the Convention secretariat and the United Nations, as advised by the Secretary-General and adopted by the Conference of the Parties at its first session, and requested the Secretary-General to review the institutional linkage not later than 31 December 1999, in consultation with the Conference of the Parties, with a view to making such modifications as may be considered desirable by both parties and to report thereon to the General Assembly.

B. Scope of the note

3. The present note provides a brief report on the institutional linkage of the Convention secretariat to the United Nations and how it has worked out in practice. Related issues to be considered by the Conference of the Parties at its fifth session are also identified.

C. Possible action by the Subsidiary Body for Implementation

4. The Subsidiary Body for Implementation may, at its tenth session, wish to make a recommendation on the institutional linkage of the Convention secretariat to the United Nations for adoption by the Conference of the Parties at its fifth session. Such a decision could be taken into account by the General Assembly at its forthcoming fifty-fourth session in taking a decision on the same subject. In order to facilitate action by the General Assembly, it would be desirable for such a decision to be adopted by the Conference of the Parties at the start of its fifth session.

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[1] See document FCCC/CP/1995/7/Add.1.

II. THE INSTITUTIONAL LINKAGE IN PRACTICE

5. The institutional linkage of the Convention secretariat to the United Nations has its roots in the fact that the ad hoc and interim secretariats from which the permanent secretariat was derived were administratively located within a headquarters department of the United Nations secretariat. Thus, for the first five years, secretariat services to the Convention process were provided within a United Nations context according to United Nations rules and practices, drawing upon the support and cooperation of various departments, programmes and agencies in the United Nations family and enjoying access to related intergovernmental processes. In envisaging the nature of the permanent secretariat of the Convention, it was felt desirable to continue this type of arrangement on account of its several advantages. Consequently, a formal institutional linkage was proposed by the Secretary-General of the United Nations and accepted by the Conference of the Parties by its decision 14/CP.1.

6. The Convention secretariat is managed by the Executive Secretary, who is appointed by the Secretary-General of the United Nations after consulting the Conference of the Parties through its Bureau. The Executive Secretary enjoys a considerable degree of delegated authority and reports to the Secretary-General on administrative and financial matters through the Under-Secretary-General for the Department of Management and on other matters through the Under-Secretary-General for the Department for Economic and Social Affairs.

7. The administrative aspects of the linkage provide for the Convention secretariat to be administered according to United Nations regulations and rules on personnel and financial matters, thereby avoiding the need for the Parties to the Convention to develop their own rules. This cost-effective arrangement extends to such matters as staff entitlements, post classification standards and supervision by the internal and external auditors of the United Nations. The division of administrative tasks in support of the secretariat is currently under review, with the aim of concentrating as many of these as possible in the secretariat in Bonn and minimizing long distance transactions with the central services of the United Nations in Geneva and New York (see FCCC/SBI/1999/3).

8. A particular aspect of the current arrangement is the provision from the United Nations regular budget of conference services for meetings of Convention bodies. This has resulted in considerable savings to the Convention budget over its first two bienniums (1996-1997, 1998-1999). This arrangement is to be reviewed in the context of the adoption of the Convention budget and the United Nations budget for the next biennium (2000-2001) (see FCCC/SBI/1999/4).

9. Another important benefit provided by the institutional linkage is the application of the Convention on the Privileges and Immunities of the United Nations to the representatives of the Parties and observers attending meetings organized by the Convention secretariat and

officials of the Convention secretariat and other staff of the United Nations performing functions for the Convention secretariat. In addition, the travel of staff of the Convention secretariat on mission is covered by the issuance of the United Nations Laissez-Passer.

10. On the substantive side, the linkage encourages the Convention secretariat, as part of the United Nations family of organizations, to continue to build cooperative arrangements with other departments, programmes and agencies that have a capacity to contribute to work on climate change at the global, regional and national levels. In this way, the campaign to protect the global climate is conducted under the United Nations flag.

III. RECOMMENDATION

11. The Executive Secretary is authorized to state, on behalf of the Secretary-General, that the institutional linkage is working satisfactorily and is being adapted to changing circumstances; and that, subject to a positive finding by the Subsidiary Body for Implementation, the Secretary-General intends to seek the endorsement of the General Assembly for its continuation.

12. In view of the above, the Executive Secretary recommends that the Subsidiary Body for Implementation advise the Conference of the Parties at its fifth session to approve the continuation of the institutional linkage of the Convention secretariat to the United Nations, subject to review at such intervals as may be considered desirable by both parties.

IV. RELATED MATTERS TO BE CONSIDERED BY THE CONFERENCE OF THE PARTIES AT ITS FIFTH SESSION

A. Juridical personality

13. The Conference of the Parties, at its second session, by decision 15/CP.2[2] relating to the agreement concerning the Headquarters of the Convention secretariat, concluded that the COP should consider, in the context of the review of the functioning of the institutional linkage of the Convention secretariat to the United Nations, whether the functions that have to be carried out by the Convention secretariat necessitate that it be given juridical personality on the international plane. This matter will be brought before the COP at its fifth session.

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[2] See document FCCC/CP/1996/15/Add.1.

B. Headquarters agreement

14. In the light of the experience gained in the implementation of the Headquarters agreement between the United Nations, the Government of the Federal Republic of Germany and the Convention secretariat, it may be timely for the Conference of the Parties to review the implementation of the Headquarters agreement at its fifth session.

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REPORT OF THE SUBSIDIARY BODY FOR IMPLEMENTATION ON ITS TENTH SESSION, BONN, 31 MAY - 11 JUNE 1999

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I. OPENING OF THE SESSION
(Agenda item 1)

1. The tenth session of the Subsidiary Body for Implementation (SBI) was held at the Hotel Maritim, Bonn, from 31 May to 11 June 1999.

2. At the 1st meeting, on 31 May 1999, the Chairman of the SBI, Mr. Bakary Kanté (Senegal), opened the session and welcomed all delegates and observers. He recalled that the current session was the first session of the SBI to be held since the fourth session of the Conference of the Parties (COP), at which the Buenos Aires Plan of Action (decision 1/CP.4)[1] was adopted. He recalled the series of work programmes in the Plan of Action for ensuring the further implementation of the Convention, and for laying the groundwork for the future implementation of the Kyoto Protocol. The Chairman stressed the need for the SBI to be flexible and called for the cooperation of all delegations, in order for detailed and productive discussions to take place on all the issues contained in the agenda. He also urged all Parties to aim at agreeing on decisions to be recommended to the COP at its fifth session in the spirit of moving the intergovernmental process forward. In conclusion, he extended a special welcome to the officers of the SBI Bureau: Mr. Mohammad Reza Salamat (Iran), Vice-Chairman, and Mr. Klaus Radunsky (Austria), Rapporteur. He expressed his wish for a successful outcome of the session.

3. At the 1st meeting of the tenth session of the Subsidiary Body for Scientific and Technological Advice (SBSTA), on 31 May, a statement was made by the Executive Secretary, addressed to both the SBI and the SBSTA (for a summary, see FCCC/SBSTA/1999/6, para. 3).

4. At the joint meeting of the SBSTA and the SBI, held on 1 June, general statements were made by representatives of five Parties, including one speaking on behalf of the African Group, one speaking on behalf of the Alliance of Small Island States, one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

II. ORGANIZATIONAL MATTERS
(Agenda item 2)

A. Adoption of the agenda
(Agenda item 2 (a))

5. At its 1st meeting, on 31 May, the SBI considered the provisional agenda contained in document FCCC/SBI/1999/1.

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[1] For the full texts of decisions adopted by the Conference of the Parties at its fourth session, see document FCCC/CP/1998/16/Add.1.

6. The Chairman noted that, following consultations with the Bureau, the provisional agenda did not include items on the second review of the adequacy of Article 4.2(a) and (b) and the review of information and possible decisions under Article 4.2(f) (matter of Turkey requesting to have its name deleted from Annexes I and II of the Convention). The Chairman informed the SBI that the President of COP 4 or her nominee would conduct informal consultations on the last-mentioned matter during the tenth sessions of the subsidiary bodies, in order to advance the discussions at COP 5, and that both items were included in the current list of elements for the provisional agenda of COP 5, as contained in document FCCC/SBI/1999/2, annex I. He also informed Parties that they could undertake informal consultations on these matters during the current session in preparation for discussions at the eleventh session.

7. The Chairman, having consulted with the Chairman of the SBSTA, proposed that the report of the secretariat on the feasibility of data comparisons (FCCC/TP/1999/2) be discussed first in the SBSTA, as it was relevant to the latter's discussions under its provisional agenda item 4(b) on the review process related to greenhouse gas inventories. The SBI agreed to consider the issue upon referral from the SBSTA.

8. The Chairman also informed Parties of the proposal by Kazakhstan to amend Annex I to the Convention, a proposal that had been communicated to Parties by the Executive Secretary. The SBI noted that, in accordance with Article 15, paragraph 2, this proposal would be put on the provisional agenda for COP 5.

9. Statements regarding the provisional agenda were made by representatives of five Parties, including one speaking on behalf of the Group of 77 and China. The SBI agreed to amend provisional agenda item 3 by including a new sub-item (d), to read "Matters referred by the Subsidiary Body for Scientific and Technological Advice". On the proposal of the Chairman, it also agreed to amend sub-items 4(b) and (c) to read, "Input from Parties to the Global Environment Facility review of enabling activities", and "Matters related to the consideration of non-Annex I Party communications", respectively.

10. The SBI adopted the following agenda:

1. Opening of the session.

2. Organizational matters:

   (a) Adoption of the agenda;
   (b) Organization of the work of the session.

3. National communications from Parties included in Annex I to the Convention:

   (a) Annual inventories of national greenhouse gas data for 1996;
   (b) Reporting on technology transfer and financial assistance;

(c) Future review process, including that under Articles 7 and 8 of the Kyoto Protocol;
(d) Matters referred by the Subsidiary Body for Scientific and Technological Advice.

4. National communications from Parties not included in Annex I to the Convention:

(a) Provision of financial and technical support;
(b) Input from Parties to the Global Environment Facility review of enabling activities;
(c) Matters related to the consideration of non-Annex I Party communications;
(d) Timing of second national communications.

5. Implementation of Article 4, paragraphs 8 and 9, of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol): programme of work.

6. Procedures and mechanisms related to compliance under the Kyoto Protocol: organizational matters related to the joint working group.

7. Activities implemented jointly under the pilot phase.

8. Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol.

9. Arrangements for intergovernmental meetings:

(a) Improving the intergovernmental process;
(b) Conference of the Parties at its fifth session;
(c) Conference of the Parties at its sixth session;
(d) Calendar of meetings.

10. Administrative and financial matters:

(a) Programme budget for the biennium 2000-2001;
(b) Income and budget performance in the biennium 1998-1999;
(c) Arrangements for administrative support to the Convention;
(d) Institutional linkage of the Convention secretariat to the United Nations.

11. Other matters.

12. Report on the session.

B. Organization of the work of the session
(Agenda item 2 (b))

11. The SBI considered this sub-item at its 1st meeting, on 31 May. It had before it document FCCC/SBI/1999/1.

12. The Chairman drew attention to the tentative schedule of meetings contained in document FCCC/SBI/1999/1, annex II, noting that it should be used as a guide, and might be modified as necessary, to reflect the pace of progress.

13. The secretariat informed the SBI that applications for accreditation to the sessions of the subsidiary bodies had recently been received from one intergovernmental organization and 12 non-governmental organizations. These applications had been screened by the secretariat on the basis of the provisions of Article 7.6 of the Convention and in accordance with the procedures established by the COP for the admission of organizations as observers. The SBI agreed to grant these organizations access to the current session of the SBI, pending formal action on their accreditation by the COP at its fifth session.

III. NATIONAL COMMUNICATIONS FROM PARTIES INCLUDED IN ANNEX I TO THE CONVENTION
(Agenda item 3)

A. Annual inventories of national greenhouse gas data for 1996
(Agenda item 3 (a))

1. Proceedings

14. The SBI considered this sub-item at its 5th and 8th meetings, on 2 and 10 June, respectively. It had before it document FCCC/SBI/1999/5 and Add.1.

15. Statements were made by representatives of two Parties, including one speaking on behalf of the European Community and its member States.

2. Conclusions

16 At its 8th meeting, on 10 June, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI noted, with respect to the reporting of greenhouse gas inventory data by Annex I Parties for 1990 to 1996, that further efforts are required to ensure adherence to the guidelines for the preparation of national communications by Parties included in Annex I to the Convention (Annex I Parties), in particular, to ensure completeness, consistency and comparability of data. In particular, further efforts are required in the provision of data on

land-use change and forestry, and on emissions of hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6). The SBI recognized that these reporting issues are being considered by the SBSTA in its ongoing discussions related to the revision of guidelines for the preparation of national communications by Annex I Parties to the Convention;

(b) The SBI noted that only 25 Annex I Parties had submitted emissions inventory data for 1990 to 1996 to the secretariat, which were due on 15 April 1998, and as of 1 June 1999, only 16 Annex I Parties had submitted their national greenhouse gas inventories, which were due on 15 April 1999. The SBI urged Annex I Parties that had not already done so, to submit their annual national greenhouse gas inventories as soon as possible. The SBI invited Parties experiencing difficulties with submitting greenhouse gas inventories in a timely manner to provide a submission to the secretariat by 1 August 1999 describing the nature of these difficulties ;

(c) The SBI requested Parties to provide their submissions in electronic form so as to facilitate the processing and dissemination by the secretariat of this information;

(d) The SBI noted, with respect to the implementation of the Convention by Annex I Parties, that the majority of Parties that have reported data for 1990 to 1996, as described in document FCCC/SBI/1999/5, exhibit increasing aggregate greenhouse gas emissions; and according to the available information, many Annex I Parties will not return greenhouse gas emissions to 1990 levels by the year 2000; and

(e) The SBI also noted the efforts of the secretariat to make available Parties' greenhouse gas inventory data on the Web site of the secretariat, and encouraged interested Parties to provide feedback to the secretariat on possible improvements to the presentation of inventory data.

B. Reporting on technology transfer and financial assistance

(Agenda item 3 (b))

1. Proceedings

17. The SBI considered this sub-item at its 5th and 8th meetings, on 2 and 10 June, respectively. It had before it the following documents: FCCC/SB/1999/1 and Add.2 and FCCC/SB/1999/MISC.2.

18. Statements were made by representatives of four Parties, including one speaking on behalf of the European Community and its member States.

19. At the 5th meeting, on 2 June, the SBI agreed to the Chairman's proposal that this sub-item should be considered further in the joint contact group established by the SBSTA under its agenda sub-item 4 (a) on guidelines for the preparation of national communications by Annex I Parties.

2. Conclusions

20. Conclusions on this sub-item were taken up under sub-item 3 (d), matters referred by the SBSTA (see paragraph 27 below).

C. Future review process, including that under Articles 7 and 8 of the Kyoto Protocol
(Agenda item 3 (c))

1. Proceedings

21. The SBI considered this sub-item at its 5th and 8th meetings, on 2 and 10 June, respectively. It had before it the following documents: FCCC/SBI/1999/6 and FCCC/SBI/1999/INF.2.

22. Statements were made by representatives of two Parties, including one speaking on behalf of the European Community and its member States.

2. Conclusions

23. At its 8th meeting, on 10 June, having considered a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI took note of document FCCC/SBI/1999/6. It recognized that the work on the review process under the Convention, including the technical review process for greenhouse gas inventories, is distinct but related to the work on the review of implementation under Article 8 of the Kyoto Protocol. It generally endorsed the suggested approaches in document FCCC/SBI/1999/6 for these future review processes, noting that some aspects of that document need to be discussed further. It concluded that consideration of issues related to interim reporting should be postponed until matters relating to reporting and review under the Kyoto Protocol have been resolved;

(b) The SBI took note of the information contained in document FCCC/SBI/1999/INF.2 and welcomed the fact that 27 in-depth review visits have taken place so far. It expressed concern that only seven in-depth review reports could be published before the tenth session of the SBI; and

(c) The SBI requested the secretariat to prepare a report on experience with the review of second national communications, including suggestions for avoiding delays in the publication of reports in the future, for consideration at its twelfth session.

D. Matters referred by the Subsidiary Body for Scientific and Technological Advice
(Agenda item 3 (d))

1. Proceedings

24. The SBI considered this sub-item at its 8th meeting, on 10 June. It had before it the following documents, containing conclusions of the SBSTA forwarded to the SBI for its consideration: FCCC/SB/1999/2, FCCC/SBI/1999/L.2, FCCC/SBI/1999/L.3 and FCCC/SBI/1999/L.6.

25. A statement was made by the representative of a Party.

2. Conclusions

26. At its 8th meeting, on 10 June, having considered the conclusions of the SBSTA relating to guidelines for the preparation of national communications by Annex I Parties and a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI noted the conclusions of the SBSTA[2] on the revised guidelines for the preparation of national communications by Parties included in Annex I to the Convention, part I: UNFCCC reporting guidelines on annual inventories;

(b) The SBI agreed to recommend, jointly with the SBSTA, a draft decision on the revised guidelines for adoption by the COP at its fifth session;[3]

(c) The SBI, following the advice of the SBSTA, agreed to set up a two-year trial period beginning in early 2000, to assess the UNFCCC reporting guidelines on annual inventories, particularly the common reporting format, with a view to revising them at COP 7, taking into consideration, *inter alia*, experience gained by Parties and the secretariat, and the input of the IPCC; and

(d) The SBI noted that the SBSTA had begun, but not concluded, its work on revision of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention, part II: UNFCCC reporting guidelines on projections, policies and measures,

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[2] See FCCC/SBSTA/1999/6, paragraph 27.

[3] See FCCC/SBSTA/1999/6/Add.1, which contains the draft decision and the UNFCCC reporting guidelines on inventories (annex I), as well as a common reporting format (annex II), which is an integral part of these guidelines. (The common reporting format has been revised based on the technical corrections referred to in document FCCC/SBSTA/1999/6, paragraph 27 (e).)

financial resources and transfer of technology, and other matters.[4] It further noted that the SBSTA, upon completion of its work on part II of the guidelines, would forward to the SBI, at its eleventh session, the recommended revisions to part II of the guidelines for its consideration, with the aim of submitting revised guidelines for adoption by the COP at its fifth session.

27. At the same meeting, on 10 June, having considered the conclusions of the SBSTA on a review process related to greenhouse gas inventories (GHG) from Annex I Parties and a proposal by the Chairman, the SBI adopted the following conclusions:

(a) The SBI took note of the conclusions of the SBSTA[5] relating to the technical review process for greenhouse gas inventories of Annex I Parties;

(b) The SBI agreed on the preliminary elements of a draft decision for consideration by the COP at its fifth session (see annex I);

(c) The SBI decided to consider draft guidelines for technical reviews of GHG inventories at its eleventh session. It requested the secretariat to prepare draft guidelines for technical reviews on the basis of document FCCC/SBSTA/1999/3 and the conclusions of the SBSTA at its tenth session;

(d) The SBI invited Parties to submit their views on the draft guidelines to the secretariat by 1 October 1999;

(e) The SBI requested the secretariat to develop a work plan for the technical review process, including operational arrangements, for the period 2000 to 2002, for consideration by the SBI at its eleventh session; and

(f) The SBI requested the secretariat to include in the draft work plan for technical reviews of GHG inventories different approaches for individual reviews, including sending inventory material to experts, expert meetings in a single location and in-country visits of experts, or combinations of each, in order to assess these approaches.

28. At the same meeting, on 10 June, having considered the conclusions of the SBSTA concerning a work programme on methodological issues related to Articles 5, 7 and 8 of the Kyoto Protocol and a proposal by the Chairman, the SBI adopted the following conclusions:

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[4] This part, including its title, is subject to further discussion at the eleventh sessions of the subsidiary bodies.

[5] See FCCC/SBSTA/1999/6, paragraph 30.

(a) The SBI took note of the conclusions adopted by the SBSTA[6] endorsing the work programme on methodological issues related to Articles 5, 7 and 8 of the Kyoto Protocol, contained in document FCCC/SB/1999/2. It endorsed the conclusions adopted by the SBSTA, particularly those elements of the work programme relating to Articles 7 and 8, in accordance with the division of labour specified in decision 8/CP.4.

IV. NATIONAL COMMUNICATIONS FROM PARTIES NOT INCLUDED IN ANNEX I TO THE CONVENTION

(Agenda item 4)

A. Provision of financial and technical support

(Agenda item 4 (a))

1. Proceedings

29. The SBI considered this sub-item at its 1st, 3rd and 8th meetings, on 31 May, and 1 and 10 June, respectively. It had before it the following documents: FCCC/SBI/1999/INF.1, FCCC/SBI/1999/INF.3, and FCCC/SBI/1999/INF.4.

30. Statements were made by representatives of 19 Parties, including one speaking on behalf of the Alliance of Small Island States, one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

31. At its 3rd meeting, on 1 June, the SBI agreed that this sub-item should be taken up in informal contact group discussions in conjunction with sub-items 4 (c) and (d) of the agenda. The informal contact group was co-chaired by Mr. Paul Maclons (South Africa) and Mr. Daniel Reifsnyder (United States of America).

2. Conclusions

32. At its 8th meeting, on 10 June, the SBI, having considered a proposal by the Chairman, adopted the following conclusions:

(a) The SBI noted with appreciation the information contained in document FCCC/SBI/1999/INF.3 regarding the activities undertaken by the secretariat to facilitate the provision of financial and technical support as well as the information regarding the status of preparation of communications from Parties not included in Annex I to the Convention;

(b) The SBI took note of views expressed by Parties and information contained in document FCCC/SBI/1999/INF.1. It requested the secretariat, in preparing its report on

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[6] See FCCC/SBSTA/1999/6, paragraph 34.

"Information on relevant actions by the Global Environment Facility", to request that, in accordance with decision 10/CP.2,[7] the Global Environment Facility (GEF) secretariat make available the dates of disbursement of funds for enabling activity projects for the preparation of initial national communications by non-Annex I Parties and agreed to continue consideration of this matter at the eleventh session of the SBI;

(c) The SBI noted the information contained in document FCCC/SBI/1999/INF.4 and views expressed by Parties during the discussions and recommended that the "List of projects submitted by Parties not included in Annex I to the Convention in accordance with Article 12.4 of the Convention" contained in that document should be brought to the attention of the GEF and, as appropriate, other bilateral and multilateral financing institutions through the established channels for such assistance;

(d) The SBI took note of the draft decisions proposed by the Group of 77 and China and the European Community and its member States contained in document FCCC/SBI/1999/MISC.3 and views expressed by Parties during the discussions and invited Parties to submit to the secretariat further views and comments, if any, on this matter by 15 July 1999. It requested the secretariat to compile and make available such views and comments at the eleventh session of the SBI;

(e) The SBI agreed that the co-Chairs of the informal contact group would prepare a document providing a framework for the elements of the draft decisions submitted by the Group of 77 and China and the European Community and its member States to be considered by the SBI at its eleventh session; and

(f) The SBI decided to continue its consideration of this sub-item at its eleventh session, by requesting the informal contact group to continue its discussions, with a view to recommending a draft decision for adoption by the COP at its fifth session.

B. Input from Parties to the Global Environment Facility review of enabling activities
(Agenda item 4 (b))

1. Proceedings

33. The SBI considered this sub-item at its 1st and 8th meetings, on 31 May and 10 June. It had before it document FCCC/SBI/1999/MISC.2.

34. Statements were made by representatives of five Parties, including one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

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[7] For the full texts of decisions adopted by the Conference of the Parties at its second session, see document FCCC/CP/1996/15/Add.1.

2. Conclusions

35. At its 8th meeting, on 10 June, the SBI, having considered a proposal by the Chairman, adopted the following conclusions:

(a) Views submitted by Parties with regard to the GEF review of enabling activities (FCCC/SBI/1999/MISC. 2), statements made by Parties during the discussion of this agenda item at the current session, information included in the initial national communications from non-Annex I Parties, further views to be submitted by Parties, any other guidance the Parties may give to the secretariat, as well as all relevant decisions of the COP, will provide the basis for the secretariat to prepare a report, as requested in decision 12/CP.4, paragraph 7 (e), on inputs from Parties to the GEF review of enabling activities, to be submitted for consideration by the SBI at its eleventh session. Submissions from Parties should reach the secretariat by 15 July 1999;

(b) In its annual report to the COP, in accordance with decision 12/CP.2, the GEF should include information on any progress made or results obtained from the GEF review of enabling activities as well as on how the views and concerns expressed by Parties will be taken into account by the GEF in that review; and

(c) In the framework of the Convention, the scope of enabling activities covers a number of other activities which facilitate the implementation of Articles 4.1 and 12.1 of the Convention. The secretariat will prepare a report containing information included in initial national communications from non-Annex I Parties, regarding efforts to assist developing country Parties in the implementation of enabling activities, and submit it to the SBI for its consideration at its thirteenth session.

C. Matters related to the consideration of non-Annex I Party communications
D. Timing of second national communications

(Agenda item 4 (c) and (d))

1. Proceedings

36. The SBI considered these sub-items at its 1st and 8th meetings, on 31 May and 10 June, respectively. It had before it document FCCC/SBI/1999/MISC.1.

37. Statements were made by representatives of six Parties, including one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

38. At its 3rd meeting, on 1 June, the SBI agreed that these sub-items should be taken up in informal contact group discussions in conjunction with sub-item 4 (a) of the agenda. The informal contact group was co-chaired by Mr. Paul Maclons (South Africa) and Mr. Daniel Reifsnyder (United States of America).

2. Conclusions

39. At its 8th meeting, on 10 June, the SBI, having considered a proposal by the Chairman, adopted the following conclusions:

(a) The SBI took note of views expressed by Parties and information contained in document FCCC/SBI/1999/MISC.1 on consideration of national communications and timing of second national communications;

(b) The SBI agreed that the co-Chairs of the informal contact group would prepare a document providing a framework for elements of the draft decisions of the Group of 77 and China and the European Community and its member States contained in document FCCC/SBI/1999/MISC.3, to be considered by the SBI at its eleventh session;

(c) The SBI decided to continue its consideration of these sub-items at its eleventh session, by requesting the informal contact group to continue its discussions, with a view to recommending a draft decision for adoption by the COP at its fifth session; and

(d) The SBI took note of the draft decisions proposed by the Group of 77 and China and the European Community and its member States contained in document FCCC/SBI/1999/MISC.3 and views expressed by Parties during the discussions, and invited Parties to submit to the secretariat further views and comments, if any, on these matters by 15 July 1999. It requested the secretariat to compile and make available such views and comments at the eleventh session of the SBI.

V. IMPLEMENTATION OF ARTICLE 4, PARAGRAPHS 8 AND 9, OF THE CONVENTION (DECISION 3/CP.3 AND ARTICLES 2.3 AND 3.14 OF THE KYOTO PROTOCOL): PROGRAMME OF WORK

(Agenda item 5)

1. Proceedings

40. The SBI considered this item at its 1st meeting, on 31 May. It had before it document FCCC/SB/1999/MISC.6.

41. The SBI agreed that a group of friends of the Chairmen of the SBI and the SBSTA be convened to develop terms of reference for the expert workshop envisaged in the annex (programme of work) to decision 5/CP.4. These consultations would be conducted by Mr. Mohammad Reza Salamat (Iran), Vice-Chairman of the SBI, on behalf of the Chairmen. Mr. Salamat would report on the outcome of these consultations to the SBSTA under its agenda item 9.

2. Conclusions

42. The SBI agreed that the terms of reference for the expert workshop should reflect the elements identified in decision 5/CP.4.[8]

43. In accordance with that conclusion, the SBI would consider the report of the expert workshop at its eleventh session.

VI. PROCEDURES AND MECHANISMS RELATING TO COMPLIANCE UNDER THE KYOTO PROTOCOL: ORGANIZATIONAL MATTERS RELATED TO THE JOINT WORKING GROUP

(Agenda item 6)

1. Proceedings

44. This item was considered by the SBI at its 2nd and 9th meetings, which were held jointly with the SBSTA, on 1 and 11 June, respectively. The subsidiary bodies had before them document FCCC/SB/1999/MISC.4 and Add.1-3.

45. At the joint meeting held on 1 June, the Chairman of the SBI reported on the informal consultations on matters related to compliance which had been convened by the subsidiary body Chairmen on 31 May in response to a request contained in decision 8/CP.4. The Chairman noted that agreement had been reached to designate Mr. Harald Dovland (Norway) and Mr. Espen Ronneberg (Marshall Islands) as the co-Chairs of the joint working group on compliance established by decision 8/CP.4. Substantive discussion would be referred to the joint working group, which would be convened by the designated co-Chairs.

46. At the 9th meeting, held jointly with the SBSTA on 11 June, Mr. Harald Dovland presented a report on the work of the joint working group on compliance, on behalf of the co-Chairs (FCCC/SB/1999/CRP.3/Rev.1).

2. Conclusions

47. At its 9th meeting, held jointly with the SBSTA on 11 June, the SBI agreed, jointly with the SBSTA, that the report of the joint working group on compliance on its work during the tenth sessions of the subsidiary bodies would be annexed to the present report (see annex II below).

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[8] For the terms of reference of the expert workshop, see document FCCC/SBSTA/1999/6, annex I.

VII. ACTIVITIES IMPLEMENTED JOINTLY UNDER THE PILOT PHASE
(Agenda item 7)

1. Proceedings

48. This item was considered by the SBI at its 2nd, 4th and 9th meetings, which were held jointly with the SBSTA, on 1 and 11 June. The subsidiary bodies had before them the following documents: FCCC/SB/1999/INF.1 and FCCC/SB/1999/MISC.1 and Add.1.

49. Statements were made by representatives of 16 Parties, including one speaking on behalf of the African Group, one speaking on behalf of the Alliance of Small Island States, one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

50. At the 9th meeting, on 11 June, a statement was made by a representative of the business and industry constituency.

51. At the 4th meeting, on 1 June, the Chairmen of the subsidiary bodies invited Mr. Jos Delbeke (European Commission) and Ms. Margaret Mukahanana (Zimbabwe) to assist them in conducting informal consultations on this item.

2. Conclusions

52. At its 9th meeting, held jointly with the SBSTA on 11 June, having considered a proposal by the Chairmen on the basis of inputs from the informal consultations, the SBI adopted the following conclusions jointly with the SBSTA:

(a) The SBSTA and the SBI took note of the update on activities implemented jointly (AIJ) under the pilot phase and the compilation of submissions by Parties contained in documents FCCC/SB/1999/INF.1 and FCCC/SB/1999/MISC.1 and Add.1;

(b) The SBSTA and the SBI recognized that AIJ under the pilot phase should provide developing country Parties, in particular the least developed and small island developing States amongst them, as well as Parties with economies in transition, with the opportunity to enhance their capacity-building, and all Parties with the opportunity to gain experience with AIJ;

(c) The SBSTA and the SBI agreed that the review of the pilot phase referred to in decision 5/CP.1, paragraph 3 (b)[9] and decision 6/CP.4 must address, *inter alia*, the following issues:

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[9] For the full texts of decisions adopted by the Conference of the Parties at its first session, see document FCCC/CP/1995/7/Add.1.

(i) Geographical distribution of projects, particularly the lack of projects in Africa, and the analysis of contributing factors;

(ii) Contribution of projects to capacity-building and institution-strengthening needs of Parties, particularly for host country Parties;

(iii) Contribution to the host country's sustainable development needs, priorities and strategies;

(iv) Assessment of environmental benefits related to the mitigation of climate change that would not have occurred in the absence of AIJ, covering all relevant sources, sinks and reservoirs of greenhouse gases and the methods used to measure, monitor and independently verify these emissions, including by type of project, and other environmental benefits achieved;

(v) Contribution of projects and related activities to the transfer of environmentally sound technologies to the host country;

(vi) Identification of factors that might increase the number of projects implemented under AIJ, taking into account the provisions of decision 5/CP.1, paragraph 1;

(vii) Assessment of the uniform reporting format and elaboration of options for its improvement, including a list of standardized terminology and common definitions for key terms, *inter alia*, related to costs, baselines, monitoring, reporting and verification;

(viii) Consideration of costs, including costs of greenhouse gas reductions and transaction costs, and examination of related methodologies;

(ix) Evaluation of how standardized methodologies for project review and approval, by both the host and sponsoring Parties, may enhance overall transparency and reduce transaction costs; and

(x) Identification of further work required with respect to baselines, project monitoring, reporting and verification procedures.

(d) The SBSTA and the SBI requested Parties to submit additional views and information, structured in accordance with the issues mentioned in subparagraph (c) above, by 7 July 1999;

(e) The SBSTA and the SBI further requested the secretariat to prepare a report on the issues identified in subparagraph (c) above, in time for consideration by Parties at the

eleventh sessions of the subsidiary bodies, on the basis of submissions from Parties in the context of the reporting framework for the AIJ pilot phase using the uniform reporting format, and additional information submitted by Parties;

(f) The SBSTA and the SBI invited Parties wishing to engage in AIJ under the pilot phase but which have not yet had the opportunity to do so, to take full advantage of the opportunities to "learn by doing"; and

(g) The SBSTA and the SBI decided to undertake a comprehensive review of the pilot phase of AIJ, based on information referred to in subparagraph (e) above, at their eleventh sessions, with a view to preparing a recommendation to COP 5 on further steps.

VIII. MECHANISMS PURSUANT TO ARTICLES 6, 12 AND 17 OF THE KYOTO PROTOCOL

(Agenda item 8)

1. Proceedings

53. This item was considered by the SBI at its 2nd, 4th and 9th meetings, which were held jointly with the SBSTA, on 1 and 11 June. The subsidiary bodies had before them the following documents: FCCC/SB/1999/4, FCCC/SB/1999/5, FCCC/SB/1999/INF.2 and Add.1-3, and FCCC/SB/1999/MISC.3 and Add.1, Add. 2 and Corr.1 and Add. 3-6.

54. Statements were made by representatives of 21 Parties, including one speaking on behalf of the Alliance of Small Island States, one speaking on behalf of the European Community and its member States and 10 Central and Eastern European States, and one speaking on behalf of the Group of 77 and China.

55. At the 2nd meeting, on 1 June, a representative of the business and industry constituency provided a report on the "Dakar workshop II to enhance the capacity of African negotiators towards the UNFCCC and the Kyoto Protocol process" (Dakar, 6-9 May 1999).

56. At the 4th meeting, on 1 June, the subsidiary bodies decided to consider this item by way of a joint contact group, under the chairmanship of Mr Kok Kee Chow (Malaysia), the Chairman of the SBSTA.

2. Conclusions

57. At its 9th meeting, held jointly with the SBSTA on 11 June, having considered a proposal by the Chairmen on the basis of inputs from the joint contact group, the SBI adopted the following conclusions jointly with the SBSTA:

(a) The SBSTA and the SBI took note of the synthesis of proposals by Parties on principles, modalities, rules and guidelines on mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol (FCCC/SB/1999/INF.2 and Add.1-3), an initial framework for the plan for facilitating capacity-building under decision 7/CP.4 (FCCC/SB/1999/4), and submissions from Parties contained in documents FCCC/SB/1999/MISC.3 and Add.1, Add. 2 and Corr.1 and Add. 3-6;

(b) The SBSTA and the SBI invited Parties to submit further proposals, by 31 July 1999, on:

(i) Issues raised in decision 7/CP.4, paragraph 1 (a), (b) and (c); and

(ii) Elements to be included in the plan for facilitating capacity-building.

(c) The SBSTA and the SBI requested the secretariat to compile the submissions by Parties in miscellaneous documents;

(d) The SBSTA and the SBI requested the Chairmen to prepare, with the assistance of the secretariat, a revised and consolidated synthesis of proposals, identified by sources, for consideration at the eleventh sessions of the subsidiary bodies. This synthesis of proposals should take into account decision 7/CP.4, views by Parties on the first synthesis of proposals at the tenth sessions of the subsidiary bodies, and submissions under subparagraphs (a) and (b)(i) above;

(e) The SBSTA and the SBI requested the secretariat, based on views by Parties expressed at the tenth sessions of the subsidiary bodies and submissions by Parties, to prepare a revised plan for facilitating capacity-building related to the mechanisms, providing options for coordination and orientation, for consideration at the eleventh sessions of the subsidiary bodies; and

(f) The SBSTA and the SBI invited organizations currently undertaking relevant capacity-building activities to provide information to the secretariat by 31 July 1999.

58. At the same meeting, on 11 June, on adopting the above conclusions, the SBSTA and the SBI noted the following clarifications by the Chairmen:

(a) The Chairmen of the subsidiary bodies will have responsibility for determining which submissions are to be reflected in the synthesis of proposals and which ones will be included in a miscellaneous document only;

(b) In view of the date agreed upon for submissions by Parties and the time needed to compile those submissions, the availability of the respective documents for the eleventh sessions would be delayed; and

(c) Submissions received after the stated deadline would be made available, in a miscellaneous document, by 15 September 1999.

IX. ARRANGEMENTS FOR INTERGOVERNMENTAL MEETINGS
(Agenda item 9)

1. Proceedings

59. The SBI considered this item, including its four sub-items, at its 3rd, 7th and 10th meetings on 1, 7 and 11 June, respectively. It had before it documents FCCC/SBI/1999/2 and FCCC/SBI/1999/L.4.

60. Statements were made by representatives of 24 Parties, including one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China. A number of delegates commented on the arrangements made by the Government of Germany for the issuance of visas to delegates.

61. At its 7th meeting, on 7 June, the Chairman invited Mr. John Ashe (Antigua and Barbuda) to assist him in conducting informal consultations on this item, with the support of the Bureau of the SBI.

A. Improving the intergovernmental process
(Agenda item 9 (a))

2. Conclusion

62. At its 8th meeting, on 10 June, the SBI, having considered a proposal by the Chairman, took note of the proposals by the Executive Secretary contained in document FCCC/SBI/1999/2 to improve the intergovernmental process, including those relating to the issue of transparency, and decided to take the matter up again at its eleventh session.

B. Conference of the Parties at its fifth session
(Agenda item 9 (b))

2. Conclusions

63. At its 10th meeting, on 11 June, the SBI, having considered a proposal by the Chairman, adopted the following conclusions:

(a) The SBI welcomed the nomination of His Excellency Mr. Jan Szyszko, Minister of Environmental Protection, Natural Resources and Forestry of Poland, by the Group of Eastern European States as President designate of COP 5;

(b) The SBI invited the President of COP 4 to continue her informal consultations on the election of the remaining members of the COP 5 Bureau with a view to having the complete list of candidatures ready, if possible, before the opening of the fifth session;

(c) The SBI noted that the Executive Secretary would take into account views expressed by the Parties at the session when preparing the provisional agenda for the fifth session of the COP, in accordance with rule 9 of the draft rules of procedure being applied;

(d) The SBI recommended that the opening of COP 5 should take place on 25 October 1999 to consider organizational matters, to be followed immediately by the sessions of the subsidiary bodies that will recommend decisions and conclusions for adoption by COP 5; and

(e) The SBI further recommended that there should be a high-level segment attended by ministers and other heads of delegation at COP 5 from the afternoon of 2 November 1999 to midday on 4 November 1999. The high-level segment would provide for brief policy statements of three to four minutes' duration on the afternoon of 2 November 1999 that would highlight key points from full texts that would be circulated (on the understanding that all ministers and heads of delegation wishing to make such statements would be accommodated during the afternoon and evening of 2 November 1999). Further, the high-level segment would provide for an exchange of views among ministers and other heads of delegation in plenary meetings in an open and transparent manner from the morning of 3 November 1999 to midday on 4 November 1999. There would be no formal conclusions or recommendations. The exchange of views would be organized around the following themes:

* Progress made in dealing with climate change: lessons and challenges;

* The way forward: promoting implementation of the Buenos Aires Plan of Action and early entry into force of the Kyoto Protocol.

C. Conference of the Parties at its sixth session
(Agenda item 9 (c))

2. Conclusions

64. At its 10th meeting, on 11 June, the SBI, having considered a proposal by the Chairman, adopted the following conclusions:

(a) The SBI welcomed the generous offer of the Kingdom of the Netherlands to host COP 6[10] and decided to recommend to the COP at its fifth session that the offer be accepted; and

(b) The SBI requested the secretariat to start planning for COP 6 with the Netherlands and to draw up the necessary host country agreement, pending confirmation by COP 5.

D. Calendar of meetings
(Agenda item 9(d))

2. Conclusions

65. At its 10th meeting, on 11 June, the SBI, having considered a proposal by the Chairman, adopted the following conclusions:

(a) In the light of the offer by the Netherlands to host COP 6, as well as statements made by delegations, and other developments, during the current session, the SBI invited COP 5 to review the dates for the second sessional period in 2000 and agreed to return to the matter at its eleventh session with a view to recommending, as necessary, revised dates to COP 5 for the relevant sessional periods; and

(b) The SBI decided to recommend the following calendar of meetings for the years 2001 to 2003 for adoption by COP 5:

(i) First sessional period in 2001: 21 May to 1 June 2001;[11]

(ii) Second sessional period in 2001: 29 October to 9 November 2001;[12]

(iii) First sessional period in 2002: 3 to 14 June 2002;

(iv) Second sessional period in 2002: 28 October to 8 November 2002;

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[10] Extract from statement by the Netherlands at the 7th meeting on 7 June 1999: " ... We have at the moment booked conference facilities from the 13th to the 24th of November in the year 2000. Now, we understand from the discussion here last week and previous discussions that there are also Parties here who feel that COP 6 should be held in 2001. Since we feel that it is not our place as host to dictate the dates one way or another we have available both the dates in November 2000 and we would also make facilities available in the spring of 2001, if the COP were to decide that that is more appropriate. So, we are flexible either way...".

[11] Pending a decision by COP 5 on the second sessional period in 2000.

[12] See note 11.

(v) First sessional period in 2003: 2 to 13 June 2003;

(vi) Second sessional period in 2003: 1 to 12 December 2003.

X. ADMINISTRATIVE AND FINANCIAL MATTERS
(Agenda item 10)

A. Programme budget for the biennium 2000-2001
B. Income and budget performance in the biennium 1998-1999
C. Arrangements for administrative support to the Convention
(Agenda items 10 (a), (b) and (c))

1. Proceedings

66. The SBI considered these sub-items at its 5th, 6th and 10th meetings, on 2, 3 and 11 June, respectively. It had before it documents FCCC/SBI/1999/3, FCCC/SBI/1999/4 and Add.1 and FCCC/SBI/1999/INF.5.

67. Statements were made by representatives of 15 Parties, including one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

68. At its 6th meeting, on 3 June, the SBI agreed to a proposal by the Chairman that this item be taken up in informal contact group discussions. The informal contact group was chaired by Mr. Mohamed M. Ould El Ghaouth (Mauritania).

2. Conclusions

69. At its 10th meeting, on 11 June, the SBI, on the recommendation of the Chairman, adopted the following conclusions:

(a) The SBI recommended for adoption by the COP at its fifth session the budget decision included in annex I below, which would require finalization at the Conference with respect to the contingencies indicated therein;

(b) The SBI noted that the recommended decision provided for the expenditure on programme activities of $ 22,300,000 in the biennium 2000-2001, representing an increase of $ 3,638,200 over the comparable figure in the current biennium 1998-1999. It further noted that this increase in the allocation for programme activities was to be partly met by a special drawing of $ 2,000,000 from the unspent balances or contributions from previous financial periods and that the resulting increase in the total indicative contributions due by Parties over those due in the current biennium 1998-1999 would be 10.7 per cent;

(c) The SBI authorized the Executive Secretary to notify the Parties by 1 October 1999 of their contributions to the core budget due by 1 January 2000 on the basis of the budget recommended to the COP and the contingencies included in paragraphs 4 and 5 of the draft decision contained in annex I below and on the basis of the current indicative scale of contributions (see decision 17/CP.4, paragraphs 14-15, and the annex to that decision), revised in accordance with the United Nations scale of assessment for the year 2000;[13]

(d) The SBI took note of the contributions received for the 1998-1999 biennium under the various sources of funding. It expressed concern at the continuing trend toward late payment of contributions to the core budget, some still outstanding from 1996 and 1997, and encouraged all Parties that had not yet paid their contributions to do so without delay. It requested the Executive Secretary to present possible options to respond to the situation of late payment of contributions for consideration at its twelfth session. The SBI underlined the importance of contributions to the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for Supplementary Activities as important complements to the core budget in advancing work under the Convention. It requested the Executive Secretary to report to COP 5 on the financial situation of the Convention, including on the use of the above-mentioned funds;

(e) The SBI took note of the report of the Executive Secretary on the carry-over balance from the 1996-1997 biennium and agreed to return to the matter in 2000, when further experience and data will be available, and to make a recommendation to COP 6. In the interim, the SBI authorized the Executive Secretary, pending approval by the COP, to enter into commitments up to the level of the approved budget, drawing on available cash resources, including unspent balances or contributions from previous financial periods;

(f) The SBI took note of the information provided by the Executive Secretary on the transfer of administrative responsibilities for the Convention from the United Nations to the UNFCCC and requested that the SBI be kept informed of new developments or any problems that emerge; and

(g) The SBI requested the secretariat to incorporate points (d) to (f) above into a draft omnibus decision on administrative and financial matters to be considered by the SBI at its eleventh session and to be recommended to the COP for adoption at its fifth session.

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[13] The indicative scale of contributions will be made available in a separate document.

D. Institutional linkage of the Convention secretariat to the United Nations
(Agenda item 10 (d))

1. Proceedings

70. The SBI considered this sub-item at its 5th and 10th meetings, on 2 and 11 June, respectively. It had before it document FCCC/SBI/1999/7.

71. Statements were made by representatives of six Parties, including one speaking on behalf of the European Community and its member States and one speaking on behalf of the Group of 77 and China.

2. Conclusions

72. At its 10th meeting, on 11 June, having considered a proposal by the Chairman, the SBI requested the Executive Secretary to inform the Secretary-General of the United Nations that it has decided to recommend to the COP at its fifth session that the institutional linkage of the Convention secretariat to the United Nations be continued (see annex I for the draft decision recommended to COP 5 for adoption).

XI. OTHER MATTERS
(Agenda item 11)

1. Proceedings

73. The SBI considered this item at its 5th meeting, on 2 June.

2. Conclusions

74. The SBI expressed its appreciation to those Parties that have signed and ratified the Kyoto Protocol or acceded thereto, and urged other signatories to ratify the Protocol as soon as possible so that it might enter into force. The SBI invited Parties that have not signed the Protocol to accede to it, and those that have signed to inform the secretariat of the expected timing of their ratification, and requested the Executive Secretary to submit that information to the forthcoming session of the COP.

XII. REPORT ON THE SESSION
(Agenda item 12)

75. At its 10th meeting, on 11 June, the SBI considered the draft report on the work of its tenth session (FCCC/SBI/1999/L.1).

76. On adopting the draft report, the SBI noted that the secretariat would assess its capacity to carry out the activities requested in the conclusions adopted at this session in the light of the programme budget for 2000-2001 recommended by the SBI for approval by COP 5 (see paragraph 70 above and the draft decision on the programme budget contained in annex I), and would report back on this matter, as appropriate, to the subsidiary bodies at their eleventh sessions.

77. At the same meeting, on a proposal by the Chairman, the SBI authorized the Rapporteur, with the assistance of the secretariat, to complete the report on the session.

XIII. CLOSURE OF THE SESSION

78. At the 10th meeting, on 11 June, the Chairman recalled that this was his final meeting both as Chairman of the SBI and as a representative of his country, as he would now be taking up an appointment in the United Nations system. He expressed thanks to all those who had provided him with valuable support during his two-year chairmanship, including Parties, non-governmental organizations and the business community, other United Nations bodies and the secretariat. He called for close collaboration between these groups, and noted that he would persevere in his work to advance the Convention process, including by consulting with the GEF and other United Nations bodies.

79. Statements paying tribute to the Chairman were made by representatives of four Parties, including one speaking on behalf of the African Group, and the Executive Secretary.

80. After thanking delegates for their words of appreciation, the Chairman declared the tenth session closed.

Annex I

DRAFT DECISIONS RECOMMENDED FOR ADOPTION BY THE CONFERENCE OF THE PARTIES AT ITS FIFTH SESSION

Page

1. Preliminary elements of a draft decision on a technical review process for greenhouse gas inventories of Annex I Parties 30

2. Programme budget for the biennium 2000-2001 31

3. Institutional linkage of the Convention secretariat to the United Nations 38

Draft decision -/CP.5

1. Preliminary elements of a draft decision on a technical review process for greenhouse gas inventories of Annex I Parties

The Conference of the Parties

1. *Adopts* the guidelines for the technical review process related to greenhouse gas inventories of Annex I Parties contained in annex I to this decision;[1]

2. *Requests* the secretariat to conduct annual initial checks and prepare annual synthesis and assessment reports of greenhouse gas inventories for all Annex I Parties beginning in 2000, according to the above-mentioned guidelines for the technical review process;

3. *Decides* to initiate individual reviews of inventories coordinated by the secretariat for a limited number of Annex I Parties during the period 2000 to 2002, according to the above-mentioned guidelines for the technical review process;

4. *Requests* the secretariat to coordinate the inventory reviews in accordance with the operational arrangements identified in the work plan;

5. *Requests* the subsidiary bodies to evaluate, after 2002, the experience gained with the review process conducted in accordance with paragraphs 2 and 3 above, with a view to adopting revised guidelines and/or operational arrangements for the technical review of inventories;

6. *Invites* Annex I Parties which are in a position to do so, to subject their inventories to an individual technical review in the period 2000 to 2002;

7. *Decides* to initiate individual reviews of inventories for all Annex I Parties in 2003; and

8. *Invites* Parties to nominate inventory experts with expertise in relevant sectors by 15 April 2000.

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[1] See paragraph 27 (c) above.

Draft decision -/CP.5

2. Programme budget for the biennium 2000-2001

The Conference of the Parties,

Recalling paragraph 4 of the financial procedures for the Conference of the Parties,

Having considered the proposed budget for the biennium 2000-2001 submitted by the Executive Secretary,[2]

Noting the annual contribution of the host Government, DM 1.5 million, which offsets planned expenditures,

1. *Approves* the programme budget for the biennium 2000-2001, amounting to US$ 25,286,000, for the purposes specified in table 1 below;

2. *Approves* a drawing of $ 2 million from the unspent balances or contributions (carry-over) from previous financial periods to cover part of the 2000-2001 budget;

3. *Approves* the staffing table for the programme budget, as contained in table 2 below;

4. *Approves* a contingency budget for conference servicing, amounting to $ 5,661,800, to be added to the programme budget for the coming biennium in the event that the General Assembly of the United Nations decides not to provide resources for these activities in the regular United Nations budget for the biennium 2000-2001 (see tables 3 and 4 below);

5. [*Approves* a contingency budget for matters related to the consideration of national communications from non-Annex I Parties, amounting to $ 1,527,800, to be added to the programme budget for the coming biennium in the event that the Conference of the Parties decides to request that work in this area be launched (see tables 5 and 6 below);]

6. *Requests* the Executive Secretary to report to the Subsidiary Body for Implementation at subsequent sessions on the implementation of paragraph[s] 4 [and 5] above, as necessary;

7. *Authorizes* the Executive Secretary to make transfers between each of the main appropriation lines set out in table 1 below, up to an aggregate limit of 15 per cent of total estimated expenditure for those appropriation lines, provided that a further limitation of up to minus 25 per cent of each such appropriation line shall apply;

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[2] Contained in document FCCC/SBI/1999/4 and Add.1, the latter to be revised and made available in a separate document for the COP.

8. *Decides* to maintain the level of the working capital reserve at 8.3 per cent of the estimated expenditure;

9. *Invites* all Parties to the Convention to note that contributions to the core budget are due on 1 January of each year in accordance with paragraph 8 (b) of the financial procedures and to pay promptly and in full, for each of the years 2000 and 2001, the contributions required to finance expenditures approved under paragraph 1 above, as offset by estimated contributions noted under the third paragraph of the preamble to this decision and under paragraph 2 above, and the contributions which may result from the decisions referred to in paragraphs 4 and 5 above;

10. *Takes note* of the funding estimates for the Trust Fund for Participation in the United Nations Framework Convention on Climate Change Process specified by the Executive Secretary ($ 3,691,800 for the biennium 2000-2001), and invites Parties to make contributions to this fund (see table 7 below);

11. *Takes note* of the funding estimates for the Trust Fund for Supplementary Activities under the United Nations Framework Convention on Climate Change specified by the Executive Secretary ($ 6,178,900 for the biennium 2000-2001), and invites Parties to make contributions to this fund (see table 8 below);

12. *Requests* the Executive Secretary to report to the Conference of the Parties at its sixth session on income and budget performance, and to propose any adjustments that might be needed in the Convention budget for the biennium 2000-2001; and

13. *Authorizes* the Executive Secretary to make a complementary contribution, from available resources, to the Intergovernmental Panel on Climate Change of $ 300,000 during the biennium 2000-2001.

Table 1. Programme budget for the biennium 2000-2001
(thousands of United States dollars)

	2000	2001	Biennium total
Expenditures			
I. Programmes			
Executive Direction and Management	749.5	773.7	1 523.2
Planning, Coordination and Emerging Issues	1 232.6	1 214.8	2 447.4
Science and Technology	2 170.6	2 173.6	4 344.2
Implementation	2 591.3	2 747.1	5 338.4
Information and Outreach[a]	1 546.5	1 643.7	3 190.2
Intergovernmental and Conference Support[b]	2 752.6	2 704.0	5 456.6
Subtotal (I)	**11 043.1**	**11 256.9**	**22 300.0**
II. Payments to the United Nations			
Overhead charge[c]	1 435.6	1 463.4	2 899.0
Subtotal (II)	**1 435.6**	**1 463.4**	**2 899.0**
III. Working capital reserve[d]	69.2	17.7	86.9
Subtotal (III)	**69.2**	**17.7**	**86.9**
TOTAL BUDGET (I+II+III)	**12 548.0**	**12 738.0**	**25 286.0**
Income			
Contribution from the host Government	810.8	810.8	1 621.6
Unspent balances or contributions from previous financial periods (carry-over)	1 000.0	1 000.0	2 000.0
TOTAL INCOME	**1 810.8**	**1 810.8**	**3 621.6**
INDICATIVE CONTRIBUTIONS	**10 737.2**	**10 927.2**	**21 664.4**

[a] Includes resources required to cover the computer needs of all programmes.

[b] Includes resources required to cover a number of secretariat-wide expenditures for non-staff-related items.

[c] Standard 13 per cent applied by the United Nations for administrative support.

[d] In accordance with paragraph 14 of the financial procedures (see decision 15/CP.1). This will bring the level of the working capital reserve to $ 916,600 in 2000 and $ 934,300 in 2001(see paragraphs 17-19 of the financial procedures).

Table 2. Programme budget staffing table 2000-2001

	2000	2001
A. Professional category and above		
Executive Secretary	1	1
D-2	3	3
D-1	4	4
P-5	9.75	10
P-4	10	10
P-3	15	16
P-2	8.25	9
Subtotal (A)	**51**	**53**
B. General Service category	**27.75**	**28**
TOTAL (A+B)	**78.75**	**81**

Table 3. Resource requirements for the conference services contingency

(thousands of United States dollars)

Item of expenditure	2000	2001	Biennium total
A. Meeting servicing[a]	987.1	1 015.1	2 002.2
B. Documentation[b]	1 326.8	1 340.1	2 666.9
Subtotal	**2 313.9**	**2 355.2**	**4 669.1**
C. Overhead charge[c]	300.8	306.2	607.0
D. Contingencies and exchange rate fluctuations[d]	78.4	79.8	158.2
E. Working capital reserve[e]	223.5	4.0	227.5
TOTAL	**2 916.6**	**2 745.2**	**5 661.8**

[a] Includes interpretation and conference assistance.

[b] Includes revision, translation, typing, reproduction and distribution of pre-, in- and post-session documentation (regular and temporary staff, travel, and contractual services).

[c] Standard 13 per cent applied by the United Nations for administrative support.

[d] Calculated at 3 per cent.

[e] In accordance with paragraph 14 of the financial procedures. The 2000 amount has been calculated as 8.3 per cent of the subtotal and the overhead charge; the 2001 amount has been calculated as the amount required to bring the carried-over 2000 reserve to 8.3 per cent of the subtotal and overhead charge for 2001.

Table 4. Staffing requirements for the conference services contingency

	2000	2001
A. Professional category and above		
P-4	1	1
Total Professional category and above	**1**	**1**
B. Total General Service category	**5**	**5**
TOTAL (A+B)	**6**	**6**

Table 5. Resource requirements for the contingency for matters related to consideration of communications from non-Annex I Parties
(thousands of United States dollars)

Item of expenditure	2000	2001	Biennium total
A. Staff costs	457.6	466.4	924.0
B. Consultants	24.0	24.0	48.0
C. Expert groups	20.0	20.0	40.0
D. Travel on official business	33.0	33.0	66.0
E. Travel of participants	100.0	100.0	200.0
F. Logistics for workshops	10.0	10.0	20.0
Subtotal	**644.6**	**653.4**	**1 298.0**
G. Overhead charge[a]	83.8	84.9	168.7
H. Working capital reserve[b]	60.5	0.6	61.1
TOTAL	**788.9**	**738.9**	**1 527.8**

[a] Standard 13 per cent applied by the United Nations for administrative support.

[b] In accordance with paragraph 14 of the financial procedures. The 2000 amount has been calculated as 8.3 per cent of the subtotal and the overhead charge; the 2001 amount has been calculated as the amount required to bring the carried-over 2000 reserve to 8.3 per cent of the subtotal and overhead charge for 2001.

Table 6. Staffing requirements for the contingency for matters related to consideration of communications from non-Annex I Parties

	2000	2001
A. Professional category and above		
P-4	1	1
P-3	2	2
Total Professional category and above	**3**	**3**
B. Total General Service category	**1**	**1**
TOTAL (A+B)	**4**	**4**

Table 7. Trust Fund for Participation in the UNFCCC Process: Estimated resource requirements

(thousands of United States dollars)

Item of expenditure	2000	2001
A. Support for eligible Parties to participate in one two-week session of the subsidiary bodies	630.0	630.0
B. Support for eligible Parties to participate in one two-week session of the COP and its subsidiary bodies[a]	855.0	855.0
Subtotal	**1 485.0**	**1 485.0**
Overhead charge[b]	193.1	193.1
Operating cash reserve[c]	167.8	167.8
TOTAL	**1 845.9**	**1 845.9**

[a] Includes funding for a second delegate from least developed countries and small island developing States, in accordance with the practice followed at all meetings of the COP to date.

[b] Standard 13 per cent applied by the United Nations for administrative support.

[c] Calculated at 10 per cent.

Table 8. Trust Fund for Supplementary Activities: Estimated resource requirements[a]
(thousands of United States dollars)

Item of expenditure	2000	2001
Estimated resource requirements	2 500.0	2 620.2
Overhead charge[b]	325.0	340.6
Operating cash reserve[c]	375.0	18.0
TOTAL	**3 200.0**	**2 978.9**

[a] Additional information to be included in the revised version of document FCCC/SBI/1999/4/Add.1.

[b] Standard 13 per cent applied by the United Nations for administrative support.

[c] Calculated at 15 per cent.

Annex to the draft decision

INDICATIVE SCALE OF CONTRIBUTIONS TO THE CORE BUDGET OF THE UNFCCC: 2000

(To be made available in a separate document)

Draft decision -/CP.5

3. Institutional linkage of the Convention secretariat to the United Nations

The Conference of the Parties,

Recalling its decision 14/CP.1 whereby it decided that the Convention secretariat shall be institutionally linked to the United Nations, while not being fully integrated in the work programme and management structure of any department or programme, and decided further to review the functioning of the institutional linkage of the Convention secretariat to the United Nations, not later than 31 December 1999, in consultation with the Secretary-General, with a view to making such modifications as may be considered desirable by both parties,

Recalling also General Assembly resolution 50/115 of 20 December 1995,

Taking note of the information provided by the Executive Secretary that the institutional linkage is working satisfactorily and is being adapted to changing circumstances,

Taking note also of the expression of intent by the Secretary-General to seek the endorsement of the General Assembly at its fifty-fourth session for continuation of the institutional linkage,

1. *Invites* the United Nations General Assembly to decide at its fifty-fourth session on the issue of meeting the Convention's conference servicing expenses from its regular budget, taking into account the views expressed by Member States;

2. *Decides* that the institutional linkage of the Convention secretariat to the United Nations shall continue, subject to review not later than 2001, in consultation with the Secretary-General, with a view to making such modifications as may be considered desirable by both parties.

Annex II

REPORT OF THE JOINT WORKING GROUP ON COMPLIANCE ON ITS WORK DURING THE TENTH SESSIONS OF THE SUBSIDIARY BODIES

I. OPENING OF THE MEETINGS

1. The meetings of the SBSTA/SBI joint working group on compliance (JWG) were presided over by Mr. Espen Ronneberg and Mr. Harald Dovland.

2. The co-Chair of the JWG, Mr. Espen Ronneberg, opened the meetings at the first meeting, on 2 June 1999. In welcoming the participants, he recalled that the Conference of the Parties, by its decision 8/CP.4, had established the JWG with the mandate to develop a comprehensive compliance system. He noted that the group had an important task as the compliance system will ensure the credibility of, and confidence in, the Kyoto Protocol. He believed that, despite the complexity of the task, the group should be able to fulfil its task.

3. The JWG agreed to organize its work in the current and subsequent meetings according to the following agenda, with the understanding that it could be modified, if needed, in the future.

1. Opening of the meetings.

2. Procedures and mechanisms relating to compliance under the Kyoto Protocol:

   (a) Identification of compliance-related elements, including gaps and suitable forums to address them;
   (b) Design of a compliance system;
   (c) Consequences of non-compliance;
   (d) Other elements as identified in decision 8/CP.4 and in the progress of work.

3. Work programme.

4. Report on progress to the Subsidiary Body for Scientific and Technological Advice (SBSTA) and the Subsidiary Body for Implementation (SBI).

5. Other matters.

II. PROCEDURES AND MECHANISMS RELATING TO COMPLIANCE UNDER THE KYOTO PROTOCOL

(Agenda item 2)

Proceedings

4. The JWG had an initial exchange of views on procedures and mechanisms relating to compliance under the Kyoto Protocol, which will be further elaborated, taking into account all submissions from Parties.

Conclusions

5. The JWG discussed compliance-related elements in the Kyoto Protocol in light of substantive rules, procedures for addressing compliance and the consequences of non-compliance. Regarding substantive rules, it was felt that different types of obligations and rules need to be taken into account in designing a comprehensive compliance system. With respect to procedures, it identified Articles 8, 16, 18 and 19 of the Kyoto Protocol as providing elements for the procedures to address compliance issues, but additional procedures may be needed. It noted that further work is needed to design the consequences of non-compliance.

6. The JWG noted that its work is closely linked to that on Articles 5, 7 and 8, as well as the mechanisms in Articles 6, 12 and 17 of the Kyoto Protocol. The JWG needs to follow the development of this work and exchange information with the processes currently ongoing on those issues. The co-Chairs of the JWG could provide information on its work at the joint meeting of the SBI and SBSTA, and address some common issues.

7. The JWG considered that the objectives of a compliance system, consistent with the objectives of the Kyoto Protocol, could be to facilitate compliance, prevent non-compliance or disputes from arising, and promote compliance through cooperative means, such as providing advice to Parties. It was indicated that facilitative and enforcement measures could be applied in a balanced way. Views were expressed that the objective of a compliance system could be in line with the objective of the Convention and could as a first priority aim at ensuring that the emission reduction commitments are met by Annex B Parties. Views were also expressed about the principle of common but differentiated responsibility as an element in the design and implementation of a compliance system under the Kyoto Protocol.

8. The characteristics of a compliance system were discussed. The range of views expressed included that the system could be strong, coherent, unified, comprehensive, fair and equitable, efficient, credible and transparent; be based on reasonable certainty and due process; and respond to different types of obligations. It was also pointed out that domestic compliance systems could be an efficient means of preventing non-compliance from arising at the international level.

9. With regard to institutional issues in the design of a compliance procedure under the Kyoto Protocol, a number of elements were mentioned, including:

(a) Coverage and application;
(b) How this procedure would be triggered;
(c) Whether an ad hoc or standing body should be established;
(d) Function and mandate;
(e) Composition and expertise.

10. Different views were expressed as to whether the procedure could operate through one body or more than one body. Concerns were raised about combining the functions of facilitation and adjudication in a single body. It was mentioned, for example, that the multilateral consultative process under the Convention, modified if necessary, could be applied to the Kyoto Protocol. Questions were raised concerning the conclusions of the body or bodies that may be established under the procedure, for example, whether such conclusions would be final or whether appeals would be allowed, and the relationship between a body set up under this procedure and the other bodies of the Kyoto Protocol.

11. The consequences of non-compliance were also addressed. It was pointed out that incentives and sanctions could be imposed in a graduated manner, proportionate to the nature of the obligation and seriousness of the breach, taking into account the cause, type, degree and frequency of non-compliance. It was mentioned that financial penalties resulting from non-compliance could be made available to meet costs of adaption. Views were also expressed that a degree of automatic linkage between certain types of non-compliance and binding consequences may need to be established.

III. WORK PROGRAMME
(Agenda item 3)

Conclusions

12. The JWG, having considered a proposal by its co-Chairs, adopted the following work programme:

(a) The work of the JWG during the eleventh sessions of the subsidiary bodies will be organized according to the agenda contained in paragraph 3 of this document, on the understanding that additional items, if needed, could be taken up at any time in the future;

(b) The JWG invited Parties to make submissions to the secretariat in response to questions related to a compliance system contained in annex I to this document, by 1 August 1999, to be made available by the secretariat in a miscellaneous document. Parties may also wish to address additional issues raised in decision 8/CP.4 to the extent that those issues are not otherwise covered in their previous submissions;

(c) The JWG requested the co-Chairs, supported by the secretariat, to produce a synthesis of all proposals by Parties to update the informal paper prepared by the secretariat for the consultation on 31 May 1999 and include elements related to a compliance system under the Protocol, for consideration by the JWG at its next meeting. The JWG noted that this document would be available as a late submission for its work during the eleventh sessions of the subsidiary bodies;

(d) An informal exchange of views and information will be organized early in October 1999 by the co-Chairs of the JWG, with the assistance of the secretariat, based on the agenda in annex II of this report and guided by the views expressed by the Parties during the tenth sessions of the subsidiary bodies. It will include an exchange of information related to experience in other conventions to help Parties obtain a better understanding of a compliance system needed under the Kyoto Protocol, bearing in mind that this event will not be a forum for negotiation. The co-Chairs will make an informal factual report, with no recommendation to the JWG at the eleventh sessions of the subsidiary bodies. This event will be open to Parties and observers under rules 6 and 7 of the draft rules of procedure, as applied (see FCCC/CP/1996/2), taking into account the importance of participation of developing country Parties. Such participation by developing country Parties should be facilitated to the extent possible. The JWG urged all Parties in a position to do so to make voluntary contributions for this purpose.

(e) The JWG agreed that a workshop on matters related to a compliance system under the Kyoto Protocol is needed after COP 5 between the eleventh and twelfth sessions of the subsidiary bodies. The JWG noted that the secretariat would assess its capacity to carry out the activities requested in the light of the programme budget for 2000-2001 recommended by the SBI for approval by COP 5 and of the overall calendar of meetings and workshops.

IV. REPORT ON PROGRESS TO THE SUBSIDIARY BODY FOR SCIENTIFIC AND TECHNOLOGICAL ADVICE AND THE SUBSIDIARY BODY FOR IMPLEMENTATION

(Agenda item 4)

13. The JWG considered and adopted the draft report on its work. The JWG requested the co-Chairs, with the assistance of the secretariat to complete the report, taking into account the discussions of the JWG, as well as the need for editorial changes.

V. OTHER MATTERS

(Agenda item 5)

14. No other matters were raised by Parties under this agenda item.

15. The co-Chairs, after thanking all participants for their constructive cooperation, declared the meetings of the JWG closed.

Annex I to the report of the joint working group on compliance

QUESTIONS RELATED TO A COMPLIANCE SYSTEM UNDER THE KYOTO PROTOCOL

General issues

1. What should the objectives and nature of a compliance system be?

2. What should the principles that guide the development of the procedures and mechanisms to implement Article 18 of the Kyoto Protocol be?

3. What types of issue should be addressed under this procedure?

4. How might this procedure differentiate between the timing and character of various commitments under the Protocol?

5. Should procedures and mechanisms "entailing binding consequences" be adopted concerning non-compliance with respect to:

(a) "Guidelines" for the national systems for estimating emissions of greenhouse gases and removals by sinks, which may be established pursuant to Article 5.1; or "guidelines" for the implementation of Article 6, as provided for in Article 6.2; or "guidelines" for the reporting of certain information in national communications, as provided for in Article 7.4?

(b) "Modalities, rules and guidelines" adopted pursuant to Article 3.4, concerning how, and which, additional categories of sinks may be added to those contain [illegible] in Article 3.3?

(c) "Modalities and procedures" concerning the clean development mechanism, which may be adopted pursuant to Article 12.7?

(d) "Principles, modalities, rules and guidelines" concerning emissions trading, which may be adopted pursuant to Article 17?

6. Is one integrated procedure sufficient or is more than one procedure needed? Is a separate procedure needed (or sub-procedure within a general procedure) for dealing with compliance elements of the mechanisms in Articles 6, 12 and 17?

7. What should the relationship be between this procedure and (a) the expert review process under Article 8 of the Protocol; (b) any procedures and institution established under Article 13 of the Convention; (c) the procedures under Article 19 of the Protocol?

8. The expert review teams contemplated in Article 8 of the Kyoto Protocol review information submitted under Article 7 by each Party included in Annex I. In this regard:

(a) Should we integrate the requirements of Article 8.3 and 8.5 with the procedures that may be developed to implement Articles 16, 18 and 19? If so, how?

(b) Although the expert review teams may provide information relevant to whether an Annex I Party is at risk of non-compliance or may not be in compliance, do the teams have authority to make any determination (initial, provisional, or otherwise) that such Party is in non-compliance?

(c) If the report of the review team (issued after the end of a commitment period of an Annex I Party) does not indicate non-compliance by the Annex I Party with its emissions limitation and reduction commitment under Article 3 of the Protocol, does that preclude any Party from being able to raise an issue of non-compliance?

(d) Should a review team possess authority to initiate, by its own determination, a procedure adopted pursuant to Article 18 that could result in binding consequences to a Party?

(e) Should a review team possess authority to initiate, by its own determination, a procedure that may be developed to implement Article 16?

Institutional issues

9. Who should be able to initiate a procedure for determining and addressing non-compliance with the Protocol?

10. From what sources may such an institutional arrangement seek, receive or consider information?

11. Should such an institutional arrangement be ad hoc or standing in nature?

12. If it is a standing body, how frequently should it be convened?

13. What should the size and composition of such an institutional arrangement be?

14. What expertise should be required of its members and in what capacity should they serve?

15. What rules of procedure should govern its operations? How could these best ensure due process, and the transparency of its operation?

Issues related to consequences of non-compliance

16. What role should the Protocol's other institutions play in the determination of compliance: (a) the secretariat; (b) the subsidiary bodies; (c) the operating entity of the financial mechanism; (d) the executive board of the clean development mechanism; (e) the COP/MOP?

17. What types of non-compliance should be associated with specific consequences in advance?

18. Should the idea of "automatic" penalties be used? If so, in what cases?

19. Should financial penalties be used? If so, in what cases? Elaborate, including a description of how and for what purposes the proceeds of financial penalties should be used.

20. What role should this procedure or institutional arrangement have in approving or reviewing the operation of any "automatic" non-compliance responses provided by the Protocol or agreed by the COP/MOP?

21. What should the outcome of the compliance system be?

22. What procedures and mechanisms under Article 18 entail binding consequences? What are the implications of "binding consequences" *vis-à-vis* other consequences of non-compliance, and the amendment of the Protocol?

Other issues

23. Any other issues related to a compliance system.

Annex II to the report of the joint working group on compliance

Agenda for an informal exchange of views and information

1. Opening of the event.

2. Exchange of views and information related to relevant experience in other conventions.

3. Informal exchange of views on compliance.

4. Other matters.

5. Closing of the event.

Annex III

LIST OF DOCUMENTS BEFORE THE SUBSIDIARY BODY FOR IMPLEMENTATION AT ITS TENTH SESSION

Documents prepared for the session

FCCC/SBI/1999/1	Provisional agenda and annotations. Note by the Executive Secretary
FCCC/SBI/1999/2	Arrangements for intergovernmental meetings. Note by the Executive Secretary
FCCC/SBI/1999/3	Administrative and financial matters. Note by the Executive Secretary
FCCC/SBI/1999/4	Proposed programme budget of the Convention for the biennium 2000-2001. Note by the Executive Secretary
FCCC/SBI/1999/4/Add.1	Proposed programme budget of the Convention for the biennium 2000-2001. Addendum. Detailed subprogramme activities and resource requirements. Note by the Executive Secretary
FCCC/SBI/1999/5	Annual inventories of national greenhouse gas data for 1996. Report on national greenhouse gas emissions inventory submissions from Annex I Parties for 1990 to1996
FCCC/SBI/1999/5/Add.1	Annual inventories of national greenhouse gas data for 1996. Report on national greenhouse gas emissions inventory submissions from Annex I Parties for 1990 to 1996. Addendum. Tables of inventories of anthropogenic emissions and removals of greenhouse gases for 1990 to1996 and projections
FCCC/SBI/1999/6	Future review process, including that under Articles 7 and 8 of the Kyoto Protocol
FCCC/SBI/1999/7	Administrative and financial matters. Institutional linkage of the Convention secretariat to the United Nations. Note by the Executive Secretary

FCCC/SBI/1999/INF.1	Information on relevant actions by the Global Environment Facility
FCCC/SBI/1999/INF.2	Progress report on the in-depth reviews of second national communications from Parties included in Annex I to the Convention
FCCC/SBI/1999/INF.3	Report on activities to facilitate the provision of financial and technical support and information on communications from Parties not included in Annex I to the Convention
FCCC/SBI/1999/INF.4	List of projects submitted by Parties not included in Annex I to the Convention in accordance with Article 12.4 of the Convention
FCCC/SBI/1999/INF.5	Administrative and financial matters. Status report on receipt of contributions from Parties
FCCC/SBI/1999/MISC.1	Views of Parties on consideration and timing of second national communications from Parties not included in Annex I to the Convention
FCCC/SBI/1999/MISC.2	Views of Parties with regard to the review of the Global Environment Facility enabling activities
FCCC/SBI/1999/MISC.3	National Communications from Parties not included in Annex I to the Convention
FCCC/SBI/1999/L.1	Draft report of the Subsidiary Body for Implementation on its tenth session
FCCC/SBI/1999/L.2	National communications from Parties included in Annex I. Matters referred by the SBSTA
FCCC/SBI/1999/L.3	National communications from Parties included in Annex I. Matters referred by the SBSTA
FCCC/SBI/1999/L.4	Arrangements for intergovernmental meetings. Draft decision proposed by the Group of 77 and China
FCCC/SBI/1999/L.5	National communications from Parties included in Annex I. Annual inventories of national greenhouse gas data for 1996

FCCC/SBI/1999/L.6	National communications from Parties included in Annex I. Matters referred by the SBSTA
FCCC/SBI/1999/L.7	National communications from Parties included in Annex I. Future review process, including that under Articles 7 and 8 of the Kyoto Protocol
FCCC/SBI/1999/CRP.1	Programme budget for the biennium 2000-2001. Possible activities to be covered through supplementary funding
FCCC/SBI/1999/CRP.2	Institutional linkage of the Convention secretariat to the United Nations
FCCC/SBI/1999/CRP.3	Arrangements for intergovernmental meetings
FCCC/SBI/1999/CRP.4	National communications from Parties not included in Annex I. Input from Parties to the Global Environment Facility review of enabling activities
FCCC/SBI/1999/CRP.5	National communications from Parties not included in Annex I. Provision of financial and technical support
FCCC/SBI/1999/CRP.6	National communications from Parties not included in Annex I. Matters related to the consideration of non-Annex I Party communications. Timing of second national communications
FCCC/SBI/1999/CRP.7	Administrative and financial matters. Programme budget for the biennium 2000-2001. Income and budget performance in the biennium 1998-1999. Arrangements for administrative support to the Convention
FCCC/SB/1999/1	Report on clarifications, additions and amendments to the revised guidelines for the preparation of national communications by Parties included in Annex I to the Convention (including part I of the reporting guidelines on inventories)
FCCC/SB/1999/1/Add.1	Report on clarifications, additions and amendments to the revised guidelines for the preparation of national communications by Parties included in Annex I to the Convention (including part I of the reporting guidelines on inventories). Addendum. Common reporting format

FCCC/SB/1999/1/Add.2	Report on clarifications, additions and amendments to the revised guidelines for the preparation of national communications by Parties included in Annex I to the Convention (including part II of the reporting guidelines on other issues). Addendum. Policies and measures and projections, financial resources and transfer of technology, and other issues
FCCC/SB/1999/2 and Corr. 1	Work programme on methodological issues related to Articles 5, 7 and 8 of the Kyoto Protocol
FCCC/SB/1999/4	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. Plan for facilitating capacity-building under decision 7/CP.4
FCCC/SB/1999/5	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. Synthesis of proposals by Parties on principles, modalities and guidelines for the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol. Note by the Chairmen
FCCC/SB/1999/INF.1	Activities implemented jointly under the pilot phase. Update on activities implemented jointly
FCCC/SB/1999/INF.2 and Add. 1-3	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol
FCCC/SB/1999/MISC.1 and Add.1	Views on the review process of activities implemented jointly under the pilot phase and information on experience gained and lessons learned, including on the uniform reporting format. Compilation of submissions from Parties
FCCC/SB/1999/MISC.2	Clarifications, additions and/or amendments to the revised guidelines for the preparation of national communications from Parties included in Annex I to the Convention, the scope of the third national communications, and the scope and modalities of the review process for the third national communications, including in-depth reviews, in the context of the Kyoto Protocol. Submissions from Parties
FCCC/SB/1999/MISC.3 and Add.1, Add.2 and Corr.1 and Add.3-6	Principles, modalities, rules and guidelines for the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol. Submissions from Parties

FCCC/SB/1999/MISC.4 and Add.1-3	Procedures and mechanisms relating to compliance under the Kyoto Protocol. Submissions from Parties
FCCC/SB/1999/MISC.5 and Add.1	Comments from Parties on methodological issues related to possible clarifications, additions and amendments to the inventory section of the revised guidelines for the preparation of national communications by Annex I Parties
FCCC/SB/1999/MISC.6	Views on issues to be discussed in the expert workshop on the implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol). Submissions from Parties
FCCC/SB/1999/MISC.8	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. National communications from Parties not included in Annex I to the Convention. Submission by a Party
FCCC/SB/1999/L.1	Activities implemented jointly under the pilot phase
FCCC/SB/1999/CRP.1 and Rev.1	Provisional agenda for the joint working group on procedures and mechanisms relating to compliance under the Kyoto Protocol
FCCC/SB/1999/CRP.2	Joint working group on compliance. Work programme on procedures and mechanisms relating to compliance under the Kyoto Protocol
FCCC/SB/1999/CRP.3 and Rev.1	Report of the joint working group on compliance on its work during the tenth sessions of the subsidiary bodies
FCCC/SB/1999/CRP.4	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol

Other documents for the session

FCCC/CP/1998/16	Report of the Conference of the Parties on its fourth session, held at Buenos Aires from 2 to14 November 1998. Part One: Proceedings
FCCC/CP/1998/16/Add.1	Report of the Conference of the Parties on its fourth session, held at Buenos Aires from 2 to 14 November 1998. Addendum. Part Two: Action taken by the Conference of the Parties at its fourth session

FCCC/TP/1999/2	Technical paper: Report on data comparisons

Documents available for reference only

FCCC/CP/1998/INF.9	Review of information communicated under Article 12. National communications from Parties included in Annex I to the Convention. Summary compilation of annual greenhouse gas emissions inventory data from Annex I Parties
FCCC/CP/1997/7/Add.1	Report of the Conference of the Parties on its third session, held at Kyoto from 1 to 11 December 1997. Addendum. Part Two: Action taken by the Conference of the Parties at its third session
FCCC/CP/1996/2	Adoption of the rules of procedure
FCCC/CP/1996/15/Add.1	Report of the Conference of the Parties on its second session, held at Geneva from 8 to 19 July 1996. Addendum. Part Two: Action taken by the Conference of the Parties at its second session
FCCC/CP/1995/7/Add.1	Report of the Conference of the Parties on its first session, held at Berlin from 28 March to 7 April 1995. Addendum. Part Two: Action taken by the Conference of the Parties at its first session
FCCC/SBI/1998/6/and Corr.1	Report of the Subsidiary Body for Implementation on its eighth session, Bonn, 2-12 June 1998
FCCC/SBI/1998/7	Report of the Subsidiary Body for Implementation on its ninth session, Buenos Aires, 3-10 November 1998

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SUBSIDIARY BODY FOR IMPLEMENTATION
Eleventh session
Bonn, 25 October - 5 November 1999
Item 2(a) of the provisional agenda

ANNOTATIONS TO THE PROVISIONAL AGENDA

Note by the Executive Secretary

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I. ANNOTATIONS TO THE PROVISIONAL AGENDA

1. Opening of the session

1. The eleventh session of the Subsidiary Body for Implementation (SBI) is scheduled to be opened by the Chairman at 3 p.m. on Monday, 25 October 1999.

2. Organizational matters

(a) Adoption of the agenda

2. The provisional agenda for the eleventh session of the SBI will be presented for adoption. It may need to be adjusted on the basis of action taken by the Conference of the Parties (COP) at the first meeting of its fifth session.

(b) Organization of the work of the session

(i) General approach to the session

3. The SBI will meet from the afternoon of Monday, 25 October, until early in the following week. Upon completion of the work of the SBI, the Chairman will report to the Conference of the Parties on results achieved and on any outstanding issues. The subsidiary bodies will draft decisions and conclusions by Monday, 1 November and Wednesday, 3 November to be recommended to the COP for consideration and adoption thereafter.

(ii) Schedule

4. Following consultations with the Chairmen of the subsidiary bodies, a tentative schedule of meetings has been included in document FCCC/CP/1999/1.

5. The SBI may aim to complete its work on items allocated to it separately by Monday, 1 November. Items 3, 4, 5, 6 and 7 will be taken up initially in a joint meeting of the subsidiary bodies, scheduled for the morning of Tuesday, 26 October. The subsidiary bodies should aim to complete their work on these items by Wednesday, 3 November.

6. The scheduling of meetings for the session will be based on the availability of facilities during normal working hours. To facilitate the work of Parties, provision has been made for the holding of two simultaneous meetings, with full interpretation, from 10 a.m. to 1 p.m., and from 3 p.m. to 6 p.m., during the entire period when the subsidiary bodies are meeting, including Saturday, 30 October. It is anticipated that either formal or informal meetings will be held every evening, from 7 p.m. to 10 p.m. There will also be some facilities for informal meetings without interpretation. Delegations are urged to use these facilities fully by attending all meetings promptly at the scheduled time.

(c) Election of officers

7. The Chairman of the SBI will be elected by the Conference of the Parties during the first meeting of its fifth session, on the morning of Monday 25 October. Pursuant to Rule 27 of the draft rules of procedure being applied,[1] each subsidiary body shall elect its own Vice-Chairman and Rapporteur. The Chairman of the SBI, following consultations with the regional groups, will propose nominations for these two positions and seek the confirmation of the SBI. Early agreement on these nominations will enable the SBI to commence its substantive work in an efficient manner.

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[1] FCCC/CP/1996/2.

3. Implementation of Article 4, paragraphs 8 and 9, of the Convention (decision 3/CP.3[2] and Article 2, paragraph 3, and Article 3, paragraph 14 of the Kyoto Protocol)

8. **Background:** By its decision 5/CP.4,[3] the Conference of the Parties requested the SBI and the Subsidiary Body for Scientific and Technological Advice (SBSTA) to continue consideration of the implementation of Article 4.8 and 4.9 of the Convention at their tenth and eleventh sessions, and to report thereon to the Conference of the Parties at its fifth session. The COP also decided to implement the programme of work set out in the annex to that decision, which included the organization of an expert workshop. This workshop is scheduled to be held in Bonn from 21 to 24 September 1999, in accordance with the terms of reference for the workshop adopted by the SBSTA at its tenth session (FCCC/SBSTA/1999/6, annex I).

9. **Action:** The SBI and the SBSTA will have before them the conclusions of the workshop (FCCC/SB/1999/9). In accordance with the above-mentioned programme of work, the subsidiary bodies are to consider the outcome of the workshop and prepare a report, including conclusions and/or a draft decision for consideration by COP 5, to assist the COP in identifying initial actions to be taken in implementing Article 4.8 and 4.9 of the Convention, as well as Articles 2.3 and 3.14 of the Kyoto Protocol.

4. Procedures and mechanisms relating to compliance under the Kyoto Protocol

10. **Background:** The joint working group on compliance (JWG) was convened during the tenth sessions of the subsidiary bodies, at which time it adopted its work programme contained in document FCCC/SBI/1999/8, annex II. The JWG agreed that the work programme would include an opportunity, in October 1999, for an informal exchange of views and information on compliance. The co-Chairs of the JWG will provide the SBI and the SBSTA with an informal report on this event, which is scheduled to take place in Vienna, Austria, on 6 and 7 October.

11. Under its work programme, the JWG invited Parties to provide submissions to the secretariat in response to questions related to a compliance system under the Kyoto Protocol. Submissions received from Parties are contained in document FCCC/SB/1999/MISC.12. The JWG also requested the co-Chairs, supported by the secretariat, to produce a synthesis of all proposals by Parties and to include elements related to a compliance system under the Kyoto Protocol. The JWG will have before it document FCCC/SB/1999/7 and Add.1 containing elements of a compliance system and a synthesis of proposals by Parties.

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[2] For the full texts of decisions adopted by the Conference of the Parties at its third session, see document FCCC/CP/1997/7/Add.1.

[3] For the full texts of decisions adopted by the Conference of the Parties at its fourth session, see document FCCC/CP/1998/16/Add.1.

12. **Action:** The JWG may wish to review the proposals and information contained in the above-mentioned documents, with a view to developing further the elements of a comprehensive compliance system under the Kyoto Protocol. The JWG, in accordance with decision 8/CP.4, is to report on the progress made in its work, through the SBI and the SBSTA, to COP 5. The COP may wish to consider the establishment of an ad hoc working group.

5. Activities implemented jointly under the pilot phase

13. **Background:** The COP, by its decision 5/CP.1,[4] established the pilot phase of activities implemented jointly (AIJ) and called for a conclusive decision to be taken on the pilot phase, and the progression beyond that, no later than the end of the present decade. In response to decision 6/CP.4, which reiterated decision 5/CP.1 and also referred to decision 7/CP.4 on the work programme on the mechanisms of the Kyoto Protocol, the subsidiary bodies, at their tenth sessions, agreed to undertake a comprehensive review of the AIJ pilot phase at their eleventh sessions, with a view to preparing a recommendation to COP 5 on further steps (FCCC/SBSTA/1999/6, para. 89 (g)).

14. The comprehensive review would cover the list of issues referred to in paragraph 89 (c)(i)-(x) of the above document. The subsidiary bodies had requested that the secretariat prepare a report reflecting submissions from Parties on that list of issues in the context of the reporting framework for the AIJ pilot phase. Parties were invited to submit views by 7 July 1999 (FCCC/SBSTA/1999/6, para. 89 (d)-(e)).

15. Document FCCC/SB/1999/5 on the AIJ pilot phase has, therefore, two main parts and an addendum: part one contains a report on issues to be addressed in a comprehensive review of the AIJ pilot phase; part two is the (annual) third synthesis report on the AIJ pilot phase, called for in decision 5/CP.1, which will assist the COP in reviewing the progress of the pilot phase; and the addendum contains tables on all AIJ projects and a draft revised uniform reporting format based on inputs by Parties to the secretariat on their experience in using the uniform reporting format adopted in decision 10/CP.3.

16. **Action:** The SBI and SBSTA may wish to take note of document FCCC/SB/1999/5. The SBI and SBSTA may also wish to consider the revised uniform reporting format contained in the addendum to that document and prepare a recommendation to COP 5 on possible further steps, with a view to taking a conclusive decision on the AIJ pilot phase and beyond, before the end of the present decade.

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[4] For the full texts of decisions adopted by the Conference of the Parties at its first session, see document FCCC/CP/1995/7/Add.1

6. Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol

17. **Background:** By its decision 7/CP.4, the COP agreed on a work programme on the mechanisms under Articles 6, 12 and 17 of the Kyoto Protocol, including the list of elements annexed to that decision, to be undertaken with priority given to the clean development mechanism, and with a view to taking decisions on all the mechanisms at its sixth session. It invited Parties to submit proposals on principles, modalities, rules and guidelines for the mechanisms (subsequently compiled as document FCCC/SB/1999/INF.2 and addenda) and requested the secretariat to prepare a plan for facilitating capacity-building on the mechanisms to be considered by the subsidiary bodies at their tenth sessions.

18. In taking note of this synthesis of proposals by Parties, the subsidiary bodies, at their tenth sessions, requested the Chairmen to prepare, with the assistance of the secretariat, a revised and consolidated synthesis of proposals, identified by sources, for consideration at their eleventh sessions (FCCC/SBSTA/1999/6, para. 94 (d)). This second synthesis of proposals, which takes into account decision 7/CP.4, views expressed by Parties at the tenth sessions of the subsidiary bodies, and further submissions by Parties received by 31 July 1999 (document FCCC/SB/1999/MISC.10 and Add.1), is contained in document FCCC/SB/1999/8.

19. This revised and consolidated synthesis of proposals by Parties is in four parts: part one contains the definitions and abbreviations used throughout the document; and parts two, three and four contain the proposals by Parties on (i) the nature and scope, (ii) the methodological and operational issues, and (iii) the institutional issues pertaining to Articles 6, 12 and 17. For matters of a technical nature which require further inputs by Parties, the structure foresees the inclusion of appendices on each of the mechanisms, as appropriate.

20. The SBI and the SBSTA, at their tenth sessions, also took note of an initial framework for the plan for facilitating capacity-building under decision 7/CP.4 and requested the secretariat to prepare a plan for facilitating capacity-building related to the mechanisms (FCCC/SBSTA/1999/6, para. 94 (a) and (e)). The plan (FCCC/SB/1999/6), and further steps, will be considered under provisional agenda item 7, Capacity-building.

21. **Action:** The SBI and the SBSTA may wish to consider the revised and consolidated synthesis of proposals in document FCCC/SB/1999/8 and the submissions by Parties in the miscellaneous documents FCCC/SB/1999/MISC.10 and Add.1. The synthesis document contains a proposal on possible action by the SBI and the SBSTA, including action on a draft negotiating text on the principles, modalities, rules and guidelines for the mechanisms, to be prepared by the Chairmen for consideration at the twelfth sessions of the subsidiary bodies; on further proposals by Parties, in particular on issues related to the appendices included in the synthesis document for each mechanism; and on a workshop on mechanisms to be held in March/April 2000. The SBI and the SBSTA are invited to provide further guidance to the Chairmen on how to proceed with the work programme on mechanisms under decision 7/CP.4, with a view to decisions being taken at the sixth session of the COP, including, where

appropriate, recommendations to the first session of the Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol. The SBI and the SBSTA are to report to the COP, as appropriate, on the outcome of their deliberations.

7. Capacity-building

22. **Background:** The issue of capacity-building touches on a range of needs and activities related to the implementation of the Convention and the Kyoto Protocol. A number of decisions by the Conference of the Parties at its fourth session contain guidance on the issue.[5]

23. A proposal by the Group of 77 and China for a draft decision on capacity-building for developing countries is contained in document FCCC/SB/1999/MISC.9. A plan for facilitating capacity-building related to the Kyoto Protocol mechanisms is contained in document FCCC/SB/1999/6. This plan, requested by the subsidiary bodies at their tenth sessions (see paragraph 20 above) was prepared by the secretariat based on views expressed by Parties. Submissions by Parties on this matter received by 31 July 1999 are contained in document FCCC/SB/1999/MISC.11.

24. Additional information on capacity-building relating to the global climate observing systems, the development and transfer of technologies, the preparation of national communications, as well as the activities of the Global Environment Facility is contained in documents FCCC/SBSTA/1999/10, FCCC/SBSTA/1999/11, FCCC/SBI/1999/INF.7 and FCCC/CP/1999/3, respectively.

25. A revised version of the inter-agency capacity-building project proposal for the Clean Development Mechanism is contained in document FCCC/SBSTA/1999/INF.8. It is being made available to Parties for their information following a request by the SBSTA at its tenth session. The revised version builds on the views of Parties on capacity-building, as reflected in document FCCC/SB/1999/6.

26. **Action:** Parties may wish to consider the contents of the above-mentioned documents and come prepared with views on how the issue of capacity-building under the Convention and the Kyoto Protocol might best be addressed in an integrated manner, bearing in mind its different substantive elements. The SBI and the SBSTA may wish to recommend to the COP the adoption of a draft decision on capacity-building.

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[5] Decisions by the Conference of the Parties containing elements related to the issue of capacity-building include: 2/CP.4, Additional guidance to the operating entity of the financial mechanism; 4/CP.4, Development and transfer of technologies; 5/CP.4, Implementation of Articles 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol); 6/CP.4, Activities implemented jointly under the pilot phase; 7/CP.4, Work programme on mechanisms of the Kyoto Protocol; 12/CP.4, Initial national communications from Parties not included in Annex I to the Convention; and 14/CP.4, Research and systematic observation.

8. National communications from Parties included in Annex I to the Convention:[6]

(a) Greenhouse gas inventory data, 1990-1997

27. **Background:** The SBI, at its tenth session, considered document FCCC/SBI/1999/5, containing inventory data submitted by Annex I Parties for 1990 to 1996. It noted that as of June 1999 only 16 Annex I Parties had submitted their national greenhouse gas (GHG) inventories, which were due by 15 April 1999 FCCC/SBI/1999/8, para. 17 (b)). Since June a number of additional submissions have been made, some of them containing inventory data for 1997. The latest available GHG data for 1990-1997 has been compiled by the secretariat in document FCCC/SBI/1999/12.

28. Also, at its tenth session, the SBI invited Parties experiencing difficulties with submitting GHG inventories in a timely manner to provide a submission to the secretariat by 1 August 1999 describing the nature of these difficulties. The compilation of these submissions is contained in document FCCC/SBI/1999/MISC.6.

29. **Action:** The SBI may wish to take note of the set of latest available GHG data for 1990-1997 contained in document FCCC/SBI/1999/12, and of the fact that the GHG data are now available in a simplified searchable format on the web site of the secretariat. The SBI may also wish to take note of the views expressed by Parties in their submissions and consider ways of resolving problems indicated in document FCCC/SBI/1999/MISC.6, and report as appropriate to the COP.

(b) Guidelines for the technical reviews of greenhouse gas inventories

30. **Background:** The SBI, at its tenth session, requested the secretariat to prepare draft guidelines for the technical review of GHG inventories on the basis of document FCCC/SBSTA/1999/3, as well as a work plan for the technical review process, including operational arrangements, for the period 2000-2002, for consideration at its eleventh session. The SBI, at its tenth session, also agreed on the preliminary elements of a draft COP 5 decision relating to the technical review process (FCCC/SBI/1999/8, para. 28). It invited Parties to submit their views on the draft guidelines by 1 October 1999.

31. In response to these requests, the secretariat has prepared draft guidelines for the technical review of GHG inventories (FCCC/SBI/1999/13). The views of Parties on the draft guidelines are compiled in document FCCC/SBI/1999/MISC.7.

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[6] See also item 8 of the provisional agenda for the Subsidiary Body for Scientific and Technological Advice Agenda at its eleventh session.

32. **Action:** The SBI may wish to consider the draft guidelines for the technical review of GHG inventories, taking into account Parties' views, with the aim of submitting the guidelines for adoption by the COP at its fifth session. (Refer also to SBSTA item 8 (a).)

(c) Matters referred by the Subsidiary Body for Scientific and Technological Advice

33. **Background:** In accordance with the conclusions of the SBSTA at its tenth session (FCCC/SBSTA/1999/6, para. 27(h)), the SBSTA will forward its conclusions on revisions to part II of the guidelines for the preparation of national communications by Parties included in Annex I to the Convention to the SBI for consideration at its eleventh session, with the aim of submitting these revisions for adoption by the COP at its fifth session.

9. National communications from Parties not included in Annex I to the Convention

(a) Matters related to the consideration of non-Annex I Party communications

- First compilation and synthesis of initial national communications from Parties not included in Annex I to the Convention

34. **Background:** The COP, by its decision 12/CP.4, requested the secretariat to prepare a compilation and synthesis of initial communications from non-Annex I Parties, based on communications received from Parties by 1 June 1999, and to make that report available to the subsidiary bodies at their eleventh sessions, and to the Conference of the Parties at its fifth session. It also requested the secretariat to report on the problems encountered in the use of the guidelines for the preparation of initial communications by non-Annex I Parties, and on other issues communicated by non-Annex I Parties, with a view to further enhancing the comparability and focus of the communications. The first such compilation and synthesis of initial national communications is contained in document FCCC/SBI/1999/11. This document includes also a section on problems encountered by the non-Annex I Parties in the preparation of the inventory of greenhouse gases.

35. **Action:** The SBI may wish to consider the compilation and synthesis of 11 initial national communications by non-Annex I Parties and to forward conclusions and/or recommendations to COP 5.

- Other matters related to the consideration of communications

36. **Background:** The COP, by its decision 12/CP.4, decided to continue to address the consideration of communications from non-Annex I Parties at its fifth session, with a view to taking a further decision. It requested the Parties to submit their views to the secretariat on matters related to the consideration of non-Annex I Party communications and the timing of non-Annex I Party second national communications, for consideration by the SBI at its tenth session (FCCC/SBI/1999/MISC.1).

37. The SBI, at its tenth session, after taking note of the draft decisions proposed by the Group of 77 and China and the European Community and its member States (FCCC/SBI/1999/MISC.3) and of views expressed by Parties, invited Parties to submit to the secretariat further views and comments on the consideration of non-Annex I Party national communications and the timing of second national communications (FCCC/SBI/1999/8, Para. 33-40). These are contained in document FCCC/SBI/1999/MISC.4.

38. The SBI decided to continue its consideration of these matters at its eleventh session, through the informal contact group, with a view to recommending a draft decision for adoption by the COP at its fifth session. The SBI agreed that the co-Chairs of the informal contact group would prepare a document providing a framework based on elements contained in the above-mentioned draft decisions. This framework, contained in document FCCC/SBI/1999/MISC.8, will be made available to the SBI, at its eleventh session.

39. **Action:** The results of the work of the SBI on these issues will need to be considered in the context of item 12 (a) of the provisional agenda and finalization of the programme budget for the biennium 2000-2001 (see para. 55 below). The SBI may wish to continue its discussions on these matters with a view to recommending a draft decision for adoption by COP 5.

(b) Provision of financial and technical support

40. **Background:** By decisions 10/CP.2[7] and 12/CP.4, the COP requested the secretariat to facilitate assistance to Parties not included in Annex I to the Convention in the preparation of their initial national communications; to submit details of the financial support made available by the GEF to these Parties for the preparation of their initial national communications; and to compile and make available to Parties, a list of projects submitted by non-Annex I Parties in accordance with Article 12.4 of the Convention. Reports covering these requests are contained in documents FCCC/SBI/1999/INF.7, FCCC/SBI/1999/INF.8 and FCCC/SBI/1999/INF4/Add.1.

41. The COP, by its decision 10/CP.2, further requested the secretariat to facilitate assistance to non-Annex I Parties through the organization of workshops at the regional level and to provide a forum for the exchange of experience in the development of emission factors and activity data for the estimation of GHG inventories. In its continuing response to this mandate, the secretariat convened the second workshop on emission factors and activity data in Accra, Ghana, from 4 to 6 August 1999. The report of this workshop is contained in document FCCC/SBI/1999/INF.6. A technical paper "Comparative analysis of emission factors and activity data used in the estimation of GHG emissions in land-use change and forestry and energy sectors by some developing countries" (FCCC/TP/1999/3), will also be available to the SBI at its eleventh session. Concept notes for project proposals to address problems relating to activity data and emission factors have been annexed to the report of the workshop.

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[7] For the full texts of decisions adopted by the Conference of the Parties at its second session, see document FCCC/CP/1996/15/Add.1.

In addition, the secretariat will organize a special event during the eleventh session of the SBI to provide a forum for the exchange of experiences.

42. **Action:** The SBI may wish to take note of the information contained in the above mentioned documents and to provide any guidance it deems necessary. The SBI may also wish to provide any further guidance regarding the work to be undertaken by the secretariat on facilitating assistance to non-Annex I Parties in the preparation of their national communications. The SBI may wish to recommend to the COP the adoption of draft decisions on these issues.

10. Financial mechanism

(a) Report of the Global Environment Facility to the Conference of the Parties

43. **Background:** The Memorandum of Understanding between the COP and the Council of the GEF, annexed to decision 12/CP.2, provides, *inter alia*, that the GEF will make available annual reports which should include specific information on how it has applied the guidance and decisions of the COP in its work related to the Convention. In addition, the SBI, at its tenth session, invited the GEF to include in this report information on any progress made or results obtained from the GEF review of enabling activities as well as on how the views and concerns expressed by Parties will be taken into account by the GEF in that review (FCCC/SBI/1999/8, para. 35 (a)). The report of the GEF is contained in document FCCC/CP/1999/3.

44. **Action:** The SBI may wish to take note of this report and make relevant conclusions, or recommend a draft decision on the financial mechanism for consideration by the COP at its fifth session. The SBI may also wish to take account of deliberations under other agenda items that could be relevant to such conclusions on draft decisions.

(b) Input from Parties to the review by the Global Environment Facility of enabling activities

45. **Background:** By its decision 12/CP.4, the COP requested the secretariat to compile and make available to the SBI a report containing views and concerns identified by non-Annex I Parties, and to ensure that such views are taken into account in the GEF review of enabling activities on climate change. The SBI agreed at its tenth session that the report prepared by the secretariat should contain views submitted by Parties with regard to the GEF review of enabling activities, statements made by Parties during the discussion of this agenda item at the tenth session, information included in the initial national communications from non-Annex I Parties, further views to be submitted by Parties, and any other guidance the Parties may give to the secretariat, as well as all relevant decisions of the COP (FCCC/SBI/1999/8, para. 35 (a)). In response to this request, the secretariat has prepared a report contained in document FCCC/SBI/1999/INF.10. Further views submitted by Parties are contained in document FCCC/SBI/1999/MISC.5.

46. **Action:** The SBI may wish to consider the information provided in the above-mentioned documents with a view to giving further guidance on the matter.

11. Arrangements for intergovernmental meetings

(a) Improving the intergovernmental process

47. **Background:** In an effort to make the Convention process more efficient and effective, the Executive Secretary put forward a number of proposals for consideration by the SBI at its tenth session (FCCC/SBI/1999/2, section II). The topics flagged for consideration and advice by the SBI were as follows:

(a) The growing scale and costs of COP sessions and the implications for host Parties;

(b) The need to ensure adequate technical inputs from government experts, the secretariat and its partners, and the use of technical workshops as a device to this end;

(c) The volume and timing of documentation and the costs of translation;

(d) The transparency of consultative processes used to obtain final outcomes of COP sessions; and

(e) Possible technical improvements in the process of drafting such outcomes.

48. The SBI took note of the proposals by the Executive Secretary to improve the intergovernmental process, including those relating to the issue of transparency, and decided to take up the matter again at its eleventh session (FCCC/SBI/1999/8, para. 63).

49. **Action:** The SBI is invited to continue discussion of the issues raised in document FCCC/SBI/1999/2 with a view to providing guidance on improving the intergovernmental process.

(b) Date and venue of the sixth session of the Conference of the Parties

50. **Background:** At its tenth session, the SBI welcomed the generous offer by the Kingdom of the Netherlands to host COP 6 from 13 to 24 November 2000 or during the spring of 2001 and decided to recommend to COP 5 that it accept the offer (FCCC/SBI/1999/8, para. 65).

51. **Action:** The SBI was unable to reach a consensus on the dates for COP 6 and is therefore invited to reconsider the matter and make the necessary recommendation to COP 5 for adoption.

(c) Calendar of meetings of Convention bodies, 2000-2003

52. **Background:** To enable the booking of facilities and services in advance, as well as to assist Parties and the secretariat in their planning, a decision on the calendar of meetings for the years 2001-2003 needs to be taken by COP 5. A preliminary recommendation was made by the SBI at its tenth session as follows (FCCC/SBI/1999/8, para. 66 (b)):

(i)	First sessional period in 2001:	21 May to 1 June 2001;[8]
(ii)	Second sessional period in 2001:	29 October to 9 November 2001;[9]
(iii)	First sessional period in 2002:	3 to 14 June 2002;
(iv)	Second sessional period in 2002:	28 October to 8 November 2002;
(v)	First sessional period in 2003:	2 to 13 June 2003;
(vi)	Second sessional period in 2003:	1 to 12 December 2003.

53. **Action:** The SBI may wish to recommend to COP 5 the adoption of the above calendar of meetings, bearing in mind the consequences of discussions under item 11 (b) of the provisional agenda on the date of COP 6.

12. Administrative and financial matters

(a) Programme budget for the biennium 2000-2001

54. **Background:** The financial procedures of the Convention require the COP to consider and adopt a budget by consensus prior to the financial period it covers (decision 15/CP.1).[10] To ensure this would be feasible, the COP at its fourth session requested the Executive Secretary to submit a proposed programme budget for the biennium 2000-2001 for consideration by the SBI at its tenth session (decision 17/CP.4). The Executive Secretary responded to this request by proposing the programme budget contained in document FCCC/SBI/1999/4 and the programme of work contained in document FCCC/SBI/1999/4/Add.1.

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[8] Pending a decision by COP 5 on the second sessional period in 2000.

[9] See footnote 8.

[10] For the full texts of decisions adopted by the Conference of the Parties at its first session, see document FCCC/CP/1995/7/Add.1.

After considering these proposals, the SBI decided to recommend for adoption by COP 5 a draft decision on the budget contained in annex I to its report (FCCC/SBI/1999/8), specifying that this draft decision would require finalization at COP 5 with respect to the contingency relating to the consideration of national communications from non-Annex I Parties (FCCC/SBI/1999/8, para. 70 (a)).[11]

55. In light of this draft decision, the Executive Secretary has prepared the revised programme of work for the coming biennium contained in document FCCC/CP/1999/INF.1. This document also contains comparative data for the current and coming bienniums, a revised organigramme, and details concerning possible activities to be covered through supplementary funding.

56. **Action:** The SBI may wish to consider the outstanding contingency item, and finalize the draft decision agreed upon during its tenth session for submission to COP 5. It may also wish to take note in its conclusions of the work programme and other information contained in document FCCC/CP/1999/INF.1.

(b) Income and budget performance in the biennium 1998-1999

57. **Background:** As required by the draft rules of procedure, the SBI will have before it a document on administrative and financial matters (FCCC/SBI/1999/10). The document reflects an update of income and expenditures under each of the four UNFCCC trust funds as of 30 June 1999. It includes information on other administrative matters, including the indicative scale of contributions for 2000-2001 and an update on the implementation of auditors' recommendations. It also contains the draft omnibus decision requested by the SBI at its tenth session reflecting conclusions agreed at that session (FCCC/SBI/1999/8, para. 70). In addition, the SBI will have before it document FCCC/SBI/1999/10/Add.1 on performance at the subprogramme level (including results and outputs achieved).

58. Information on the latest status (as at 30 September 1999) of contributions by Parties to the core budget, the Trust Fund for Participation in the UNFCCC Process and the Trust Fund for Supplementary Activities is contained in document FCCC/SBI/1999/INF.9.

59. The financial procedures of the Convention also stipulate that an "interim statement of accounts for the first year of the financial period shall be provided to the Conference of the Parties during the second year of the period..." (decision 15/CP.1, annex, para. 19). In response to this requirement an interim financial statement as of 31 December 1998 is provided in document FCCC/SBI/1999/INF.11.

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[11] The draft decision also contains a contingency item for conference services, should the United Nations General Assembly at its fifty-fourth session decide not to include the meetings of the Convention bodies in its regular budget. It is not likely that this decision will be taken prior to the close of COP 5.

60. **Action:** The SBI may wish to consider the draft omnibus decision on administrative and financial matters, including the new indicative scale of contributions for 2000-2001, and finalize it for recommendation to the COP for adoption.

(c) Arrangements for administrative support to the Convention

61. **Background:** At its tenth session, the SBI took note of the information provided by the Executive Secretary on the administrative arrangements for the Convention, and requested that the SBI be kept informed of new developments (FCCC/SBI/1999/8, para. 70 (f)). This information is contained in document FCCC/SBI/1999/10.

(d) Institutional linkage of the Convention secretariat to the United Nations

62. **Background:** By its decision 15/CP.2, the COP approved the Agreement between the United Nations, the Government of the Federal Republic of Germany, and the secretariat of the United Nations Framework Convention on Climate Change concerning the headquarters of the Convention secretariat. Article 4 of that Agreement states that the Convention secretariat shall possess in the host country legal capacities to contract, acquire and dispose of movable and immovable property, and to institute legal proceedings. By the same decision, the Conference concluded that the COP should consider, in the context of reviewing the functioning of the institutional linkage of the Convention secretariat to the United Nations, whether the functions that have to be carried out by the secretariat necessitate that it be given juridical personality on the international plane. In consequence, the Executive Secretary informed Parties that the issue of the juridical personality of the Convention secretariat on the international plane will be brought before COP 5.

63. At its tenth session, the SBI, after taking into account document FCCC/SBI/1999/7, reviewed the institutional linkage of the Convention secretariat to the United Nations and recommended a draft decision to the COP for adoption at its fifth session to the effect that the institutional linkage should continue (FCCC/SBI/1999/8, annex I).

64. **Action:** The SBI may wish to consider whether any further action is necessary concerning the juridical personality of the Convention secretariat on the international plane and report these conclusions to COP 5.

(e) Implementation of the headquarters agreement:

(f) **Background:** The Agreement between the United Nations, the Government of the Federal Republic of Germany and the secretariat of the United Nations Framework Convention on Climate Change concerning the headquarters of the Convention secretariat, signed on 20 June 1996 and approved by the COP by its decision 15/CP.2, is now in its fourth year of implementation.

(g) **Action:** The Executive Secretary and a representative of the Government of the Federal Republic of Germany will brief Parties on the implementation of the Agreement and prospects for the future work of the UNFCCC secretariat and the Convention bodies in Bonn. Parties will have the opportunity to express their views on the implementation of the agreement and reach any conclusions which may be appropriate.

13. Report on the session

(h) Because of the time that is likely to be needed for considering all items on the agenda, a complete draft text of the report may not be available at the end of the session. The SBI may wish to adopt draft decisions or substantive conclusions, and authorize the Rapporteur to complete the report after the session with the guidance of the Chairman and the assistance of the secretariat. Subject to the availability of sufficient time for their translation, conclusions will be made available in all languages.

II. LIST OF DOCUMENTS

Documents prepared for the session

FCCC/CP/1999/1	Provisional agendas for the Conference of the Parties and its subsidiary bodies. Note by the Executive Secretary
FCCC/CP/1999/3	Review of the implementation commitments and of other provisions of the convention. Financial Mechanism. Report of the Global Environment Facility to the Conference of the Parties at its fifth session
FCCC/CP/1999/INF.1	Programme budget for the biennium 2000-2001. Detailed subprogramme activities and resource requirements
FCCC/SBI/1999/8	Report of the Subsidiary Body for Implementation on its tenth session, Bonn, 31 May-11 June 1999
FCCC/SBI/1999/9	Annotations to the provisional agenda. Note by the Executive Secretary
FCCC/SBI/1999/10	Administrative and financial matters. Note by the Executive Secretary
FCCC/SBI/1999/10/Add.1	Administrative and financial matters. Detailed report on financial performance, 1998-1999. Note by the Executive Secretary
FCCC/SBI/1999/11	National communications from Parties not included in Annex I to the Convention. Matters related to the consideration of non-Annex I communications. First compilation and synthesis of initial communications from Parties not included in Annex I to the Convention
FCCC/SBI/1999/12	National communications from Parties included in Annex I to the Convention. GHG inventory data, 1990-1997. Report on national greenhouse gas inventory data from Annex I Parties for 1990-1997

FCCC/SBI/1999/13	National communications from Parties included in Annex I to the Convention. Draft guidelines for the technical review of Annex I Parties' greenhouse gas inventories
FCCC/SBI/1999/INF.4/Add.1	National communications from Parties not included in Annex I to the Convention. Provision of financial and technical support. List of projects submitted by Parties not included in Annex I to the Convention in accordance with Article 12.4 of the Convention
FCCC/SBI/1999/INF.6	National communications from Parties not included in Annex I to the Convention. Report of the workshop on emission factors and activity data, 4-6 August 1999, Accra, Ghana
FCCC/SBI/1999/INF.7	National communications from Parties not included in Annex I to the Convention. Provision of financial and technical support. Report on activities to facilitate the provision of financial and technical support and information on communications from Parties not included in Annex I to the Convention
FCCC/SBI/1999/INF.8	National communications from Parties not included in Annex I to the Convention. Provision of financial and technical support. Information on relevant action by the Global Environment Facility
FCCC/SBI/1999/INF.9	Administrative and financial matters. Status of contributions
FCCC/SBI/1999/INF.10	National communications from Parties not included in Annex I to the Convention. Provision of financial and technical support. Report on input from Parties to the review by the Global Environment Facility of enabling activities
FCCC/SBI/1999/INF.11	Administrative and financial matters. Interim financial statement. Note by the Executive Secretary

FCCC/SBI/1999/INF.12	National communications from Parties included in Annex I to the Convention. Progress report on the in-depth reviews of second national communications
FCCC/SBI/1999/MISC.3	National communications from Parties not included in Annex I to the Convention. Position papers on draft decisions for COP 5 submitted by the Group of 77 and China and the European Community and its member States
FCCC/SBI/1999/MISC.4	National communications from Parties not included in Annex I to the Convention. Views of Parties on provision of financial and technical support, on matters related to the consideration of non-Annex I Party communications and timing of second national communications
FCCC/SBI/1999/MISC.5	Financial mechanism. Input from Parties to the review by the Global Environment Facility of enabling activities. Submissions from Parties
FCCC/SBI/1999/MISC.6	National communications from Parties included in Annex I to the Convention. Greenhouse gas inventory data. Views of Parties on difficulties with submitting greenhouse gas inventories in a timely manner
FCCC/SBI/1999/MISC.7	National communications from Parties included in the Annex I to the Convention. Draft guidelines on technical inventory review. Views from Parties
FCCC/SBI/1999/MISC.8	National communications from Parties not included in Annex I to the Convention. Framework of elements of the draft decisions for COP 5 submitted by the Group of 77 and China and the European Community and its member states on provision of financial and technical support, on consideration of national communications and on timing of second national communications. Note by the Co-Chairs

FCCC/SB/1999/5 and Add.1	Activities implemented jointly under the pilot phase. Issues to be addressed in the review of the pilot phase, including the third synthesis report on activities implemented jointly
FCCC/SB/1999/6	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. Plan for facilitating capacity-building
FCCC/SB/1999/7 and Add.1	Procedures and mechanisms relating to compliance under the Kyoto Protocol. Elements of a compliance system and synthesis of submissions. Note by the Co-Chairs
FCCC/SB/1999/8	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. Synthesis of proposals by Parties on principles, modalities, rules and guidelines. Note by the Chairmen
FCCC/SB/1999/9	Report on the workshop on implementation of Article 4.8 and 4.9 of the Convention (decision 3/CP.3 and Articles 2.3 and 3.14 of the Kyoto Protocol)
FCCC/SB/1999/MISC.8	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. National communications from Parties not included in Annex I to the Convention. Submission by a Party
FCCC/SB/1999/MISC.9	Capacity-building. Submission by a Party
FCCC/SB/1999/MISC.10 and Add.1	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. Further submissions of Parties on issues raised in decision 7/CP.4, paragraph 1 (a), (b) and (c)
FCCC/SB/1999/MISC.11	Mechanisms pursuant to Articles 6, 12 and 17 of the Kyoto Protocol. Elements to be included in a plan for facilitating capacity-building related to the mechanisms. Views from Parties
FCCC/SB/1999/MISC.12	Procedures and mechanisms relating to compliance under the Kyoto protocol. Views from Parties

FCCC/SBSTA/1999/INF.8	Capacity-building. Plan for facilitating capacity-building under decision 7/CP.4
FCCC/TP/1999/3	Technical paper: Comparative analysis of emission factors and activity data used in the estimation of GHG emissions in the land-use change and forestry and energy sectors by some developing countries.

Other documents for the session

FCCC/SBI/1999/2	Arrangements for intergovernmental meetings. Note by the Executive Secretary
FCCC/SBI/1999/4	Proposed programme budget of the Convention for the biennium 2000-2001. Note by the Executive Secretary
FCCC/SBI/1999/4/Add.1	Proposed programme budget of the Convention for the biennium 2000-2001. Detailed subprogramme activities. Note by the Executive Secretary
FCCC/SBI/1999/5	Annual inventories of national greenhouse gas data for 1996. Report on national greenhouse gas emissions inventory submissions from Annex I Parties for 1990 to 1996.
FCCC/SBI/1999/7	Administrative and financial matters. Institutional linkage of the Convention secretariat to the United Nations. Note by the Executive Secretary
FCCC/SBI/1999/INF.4	List of projects submitted by Parties not included in Annex I to the Convention in accordance with Article 12.4 of the convention
FCCC/SBI/1999/MISC.1	National communications from Parties not included in Annex I to the Convention. Consideration and timing of second national communications from Parties not included in Annex I of the Convention. Views from Parties

FCCC/SBSTA/1999/3	National communications from Parties included in Annex I to the Convention. Review process related to greenhouse gas inventories. Elements for review process
FCCC/IDR.2/country code	National communications from Parties included in Annex I to the Convention. In-depth review reports on second national communications from Annex I Parties

Documents available for reference only

FCCC/CP/1995/7/Add.1	Report of the Conference of the Parties on its first session, held at Berlin from 28 March to 7 April 1995. Part two: Action taken by the Conference of the Parties at its first session
FCCC/CP/1996/2	Organizational matters. Adoption of the rules of procedure.
FCCC/CP/1996/15/Add.1	Report of the Conference of the Parties on its second session, held at Geneva from 8 to 19 July 1996. Part two: Action taken by the Conference of the Parties at its second session
FCCC/CP/1997/7/Add.1	Report of the Conference of the Parties on its third session, held at Kyoto from 1 to 11 December 1997. Part two: Action taken by the Conference of the Parties at its third session
FCCC/CP/1998/16/Add.1	Report of the Conference of the Parties on its fourth session, held at Buenos Aires from 2 to 14 November 1998. Part two: Action taken by the Conference of the Parties at its fourth session
FCCC/SBSTA/1999/6	Report of the Subsidiary Body for Scientific and Technological Advice on its tenth session, Bonn, 31 May-11 June 1999

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